



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON 25, D. C.

IN REPLY REFER TO:

5.21
(Louisiana)
State Lease 340 OCS 0310
(0311 and 0331)

MAR 12 1958

DECISION

The Texas Company

- : Louisiana State Lease No. 340, as amended and supplemented by an
- : agreement dated November 18, 1943, with respect to the South Marsh
- : Island Prospect, the Southwest Marsh Island Prospect and the
- : Rabbit Island Dome Area, now OCS 0310. Acreage tentatively
- : considered to be on outer Continental Shelf 121,100 acres.

Lease Continued

Conformable to the Notice to the Holders of State Leases issued by the Department on September 18, 1953, the above-named leaseholder filed request, identified by the numbers in the caption, for continuance, as provided by Section 6 of the Outer Continental Shelf Lands Act of August 7, 1953 (67 Stat. 462; 43 U.S.C., Section 1335), of State of Louisiana Mineral Lease No. 340 (which, as amended and supplemented by an agreement with the State of Louisiana dated November 18, 1943, is hereinafter called the "State Lease") insofar and to the extent that said State Lease covers lands of the outer Continental Shelf.

True copies of State Lease No. 340 and the November 18, 1943 agreement, the requisite bond, the certification, the consents, and all other evidence required by Section 6(a) of the Act and the corresponding provisions of the aforesaid Notice, have been timely filed.

On appeal by the above-named leaseholder to the Secretary of Interior from decisions of the Director or Acting Director of the Bureau of Land Management, dated May 15, August 1, and August 2, 1956, the Solicitor, pursuant to the authority delegated to him by the Secretary (Sec. 23, Order No. 2509, as revised; 17 F.R. 6794), in a decision decided February 12, 1958 determined that the State Lease included lands out to the three-league line from the coast line, as defined in Section 2(c) of the Submerged Lands Act of May 22, 1953 (67 Stat. 29; 43 U.S.C. Sec. 1312), but, so far as lands beyond the three-league line are concerned, he reached a contrary conclusion.

In conformity with the Solicitor's determination, I find that the South Marsh Island Prospect, the Southwest Marsh Island Prospect, and the Rabbit Island Dome Area are correctly identified by the following descriptions:

EXHIBIT "A"

SOUTH MARSH ISLAND PROSPECT

BEGINNING at a point in the South shore line of Marsh Island which is 6900 feet West of a North and South line drawn through U. S. Coast and Geodetic Survey Triangulation Station "LA CROIX" 1933 (Station Latitude 29 degrees 32 minutes 17.947 seconds, North and Longitude 91 degrees 57 minutes 23.461 seconds, West, North American Datum of 1927);

THENCE South into the Gulf of Mexico to a point in the Three League Line, said Three League Line being the line every point of which is three marine leagues from the nearest point on the coast line of the State of Louisiana;

THENCE Easterly along said Three League Line to a point which is 32,900 feet East of a North and South line drawn through said station "LA CROIX";

THENCE North through the Gulf of Mexico to the South shore of Marsh Island;

THENCE Westerly following on and along the shore of Marsh Island to the place of beginning.

SOUTHWEST MARSH ISLAND PROSPECT

BEGINNING at a point in the South shore line of Marsh Island which is 6900 feet West of a North and South line drawn through U. S. Coast and Geodetic Survey Triangulation Section "LA CROIX" 1933 (Station Latitude 29 degrees 32 minutes 17.947 seconds North, and Longitude 91 degrees 57 minutes 23.461 seconds West, North American Datum of 1927), which point is also the Northwest corner of the South Marsh Island Prospect;

THENCE South in the Gulf of Mexico to a point in the Three League Line, said Three League Line being the line every point of which is three marine leagues from the nearest point on the coast line of the State of Louisiana;

THENCE Westerly along said Three League Line to a point which is 58,000 feet West of a North and South line drawn through the northeast corner of the Southwest Marsh Island Prospect;

THENCE North through the Gulf of Mexico to the South shore of Vermilion Parish;

THENCE Easterly following on and along the South shore of Vermilion Parish crossing Southwest Pass and continuing Southeasterly on and along the South shore of Marsh Island to the place of beginning.

(It has been administratively determined that the area embraced by the above two Prospects is adjoined on the East by the Eugene Island Area and on the West by the Vermilion Area.)

RABBIT ISLAND DOME AREA

BEGINNING at a point which is 21,120 feet East of a concrete monument set on a shell reef in Atchafalaya Bay, said monument being located South 2 degrees 05 minutes 11 seconds East 29,819.2 feet from U. S. Coast and Geodetic Survey Triangulation Station "ISLAND" 1933 (Station Latitude 29 degrees 30 minutes 31.433 seconds, and Longitude 91 degrees 36 minutes 00.428 seconds, North American Datum of 1927);

THENCE South from the point of beginning 21,120 feet;

THENCE West 42,240 feet;

THENCE North 42,240 feet;

THENCE East 42,240 feet;

THENCE South 21,120 feet to the point of beginning.

Available information indicates that the area embraced in the State Lease is crossed by a line that marks the seaward boundary of the State as established by the Submerged Lands Act. The exact location of the State's said seaward boundary, believed by this Department to be a line three geographical miles seaward of the coast line of the State, has not been determined. Pending final determination of the position of the boundary, the acreage shown in the caption will be administratively considered to be the acreage of the State Lease situated on the outer Continental Shelf.

By virtue of the Outer Continental Shelf Lands Act, that portion of the State Lease which is situated on the outer Continental Shelf (such portion being hereinafter referred to as "the lease") became a separate and distinct lease to which the terms of the State Lease, as modified by the Act and the regulations issued pursuant thereto, apply separately. Solicitor's Opinion M-36259, February 18, 1955.

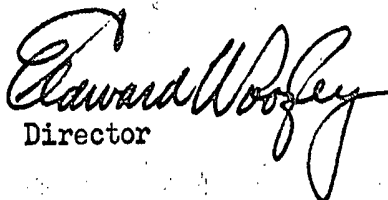
Pursuant to the authority vested in the Secretary of the Interior under Section 6(b) of the Outer Continental Shelf Lands Act, and delegated to the Director, Bureau of Land Management, by Secretary's Order No. 2583 (18 F.R. 5715), I hereby determine that the lease meets the requirements of Section 6 of the Act, and will continue under and pursuant to Section 6(b) of the Act subject to compliance with the covenants of the lease and with the requirements of the law and regulations. Operations or production on lands within the former State Lease which are not situated on the outer Continental Shelf as defined in the Act shall not constitute operations or production under the terms of the lease. Full royalty (including additional royalty as provided in

Section 6(a)(9) of the Act) on production obtained from wells bottomed on outer Continental Shelf lands must be paid to the United States. Rental payable to the United States shall be in the proportion that the acreage of the land embraced in the lease herein determined as entitled to continuance bears to the acreage embraced in the former State lease. Pending final determination of the acreage covered by the lease, the proportionate rental shall be calculated on the basis of the tentative acreage shown in the caption, subject to adjustment upon such final determination.

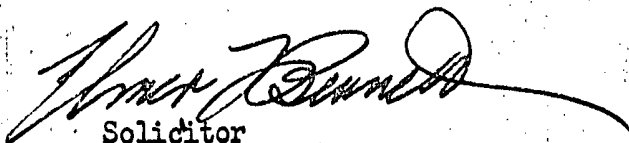
This determination shall not be construed to be a waiver of such claims, if any, as the United States may have against the lessee or any other person respecting sums payable or paid for or under the lease, or respecting activities conducted under the lease, prior to the effective date of the Act.

The provisions of Section 10 of the Outer Continental Shelf Lands Act are considered applicable to any sums that may be paid hereunder which may be subsequently determined to be in excess of the amount due the United States.

Since this determination involves only one State lease, the applications for determination filed under OCS 0311 and 0331 except to the extent that they afford a description necessary to this determination, appear to be surplus and the OCS numbers assigned to them being no longer necessary are dropped. Hereafter the former State lease with respect to the South Marsh Island Prospect, Southwest Marsh Island Prospect and Rabbit Island Dome Area will be considered and treated as OCS 0310.


Director

I concur: MAR 14 1958


Solicitor

FORTUNE
VOLUME NO. 6
December 1956

"The Strange Case of Lease 340"

Today, when offshore acreage is so expensive it is customarily bought in blocks of only 5,000 acres and even then is often a jointly purchased affair, the great monolithic holding of the Texas Co. seems imperial. It is indeed, and though the fact is little known, it was an imperial figure who made it possible, the late Huey P. Long, first Governor, then U. S. Senator from Louisiana. The Kingfish conceived the idea that state mineral leases were worth money, to Louisiana incidentally, but more importantly to any insiders sharp enough to manipulate them. He accordingly had some of his stooges set up the Win or Lose Corp. in November, 1934. Its operations were simple; state leases would be granted to the corporation's front man on a preferential basis, then resold to oil companies. Profits would be divided three-fourths to Win or Lose, one-fourth to its designated agent, William K. Burton, a Lake Charles oil man. Stockholders of Win or Lose were ostensibly State Senator James Noe (seventy-four shares), New Orleans Dock Board President Seymour Weiss (twenty-five shares), and Earle Christenberry, Huey's secretary (one share). In reality Senator Long was in on the deal as a silent partner with thirty-one shares, and so was the then Governor, O. K. Allen, with twelve. The first revenue for the Win or Lose Corp. came when agent Burton assigned to the Texas Co. a lease he had acquired from the state through Governor Allen; its price to Texaco - \$70,500. Other assignments followed, most of them going to the Texas Co. And of these the most fabulous prize was Lease 340.

Lease 340 originally covered 250,000 acres of land in four Louisiana parishes and in addition a tidelands parcel ten miles wide at the base and extending seaward indefinitely. Win or Lose agent Burton got the parcel from the State, February 7, 1936, for \$15,000 cash, although Gulf Refining had bid \$61,100 and a \$1,200,000 oil royalty. Win or Lose Corp. President James Noe, who was temporarily sitting in as governor after the sudden death of O. K. Allen, obligingly approved the Burton bid. Then Noe approved Burton's assignment of his lease to the Texas Co. for, primarily, \$95,000 in cash. Eight years later, in 1943, an aroused state mineral board moved to recover 470,000 acres of state oil lands from the lease that Burton had initially assigned to the Texas Co.; it also charged that Lease 340 was "tainted with favoritism." In this inhospitable atmosphere the Texas Co. "negotiated" (as it said) with the board and returned a good part of Lease 340's acreage. Last spring it tried to get the Department of the Interior to recognize the validity of that part of the lease which extends beyond the three-mile limit, about nine-tenths of the more than 450,000 acres remaining in its tract. The company failed, and unless the decision is overturned, this leaves Texaco with only 40,000 acres offshore, though acceptance by the Supreme Court of the Perez Line, now being adjudicated, could more than triple the tidelands acreage. Even so, the acreage of Lease 340 remains the greatest bargain anyone ever got in the tidelands, though time has not improved its odor. The Texas Co. maintains it never knew what was going on. But if it didn't, a lot of equally savvy people did. "Loose leasing" was under fire, had been made an issue by incoming Governor Richard Leche, who contended that the state, under Allen and Noe, was not getting value received for its mineral deposits. And of the dubious oil leases, all had come to the Texas Co. via the Win or Lose Corp's William Burton.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ROUTING AND TRANSMITTAL SLIP

TO			ACTION	ROOM NO.
CODE	NAME	ORGANIZATION		
	Mr. John Rankin			

Indicate Action by Number

- | | |
|----------------------------|---------------------|
| 1. Necessary action | 6. Note and surname |
| 2. Approval | 7. Note and return |
| 3. Signature | 8. Your information |
| 4. Prepare reply | 9. See me |
| 5. Your comment and return | 10. |

From Clark L. Gurney	Date 8/19/71	Room No.
Office		Phone

Remarks
Herewith a corrected copy of subject map. The only apparent change is the location of the 3 league line at the extreme west end and the outermost 3 league line in Block 237. Mr. George E. Mott, Mgr. Central Office Eng. of Texas Inc. in New Orleans agrees with this map. The Mineral Board has written to the Secretary saying they will not officially protect this map but they do take exception to it saying that the matter is not settled & they hope to reopen the entire case.

WHEREAS, under the provisions of Act No. 30 of the Extra Legislative Session of 1915, as amended by Act 315 of 1926, application was made to the Governor for a lease of the hereinafter described lands, and a report thereon having been made by the Register of the State Land Office; and,

WHEREAS, in response to said advertisements, bids were received at the State Capitol on the 4th day of February, 1936, in the presence of A. P. White and Carl Campbell; and,

WHEREAS, it appears that the bid of Wm. T. Runtan, hereinafter styled "lessee", is the most advantageous to the State of Louisiana:

NOW, THEREFORE, Be It Known And Remembered, that said Governor James A. Nee, acting under the authority of the said Act No. 30 of the Extra Session of 1915, as amended by Act No. 315 of 1926, and in accordance with the terms thereof, and acting in behalf of the State of Louisiana as "lessor", does hereby let and lease unto the said lessee, his heirs and assigns, the hereinafter described property, for the purpose of exploiting the same by geophysical means in locating mineral bearing structure thereon, and for producing therefrom oil, gas and/or other minerals, in and under said property, and also the exclusive right of drilling and operating thereon for oil, gas and/or other minerals, together with a right-of-way for, and the right to lay pipe lines to convey water, oil, steam and gas, and the right to have sufficient water, oil and gas from the premises for all of lessee's operations thereon, and also such other privileges as are reasonably requisite for conducting such operations, and the right to remove from said premises at any time any and all property that may have been placed thereon by lessee, provided that the said lessee shall have fulfilled his obligations to lessor hereunder.

The said property to which this instrument applies is described as follows:

"All of the property now or formerly constituting the beds and other bottoms of lagoons, lakes, gulfs, bays, coves, sounds, inlets and other water bodies, and also all islands and other lands belonging to the State of Louisiana and not under lease from the State on the date of application, namely, Jan. 8th, 1936, and being situated or included within the following described boundaries:

"Beginning on the mean high water line at the most westerly tip of Terrebonne Parish, La., known as Pointe au Fer, and running along said mean high water line as it follows the shores of Atchafalaya Bay, Four League Bay, East Bay, Morrison's Cut-off, Bayou Sale Bay, East Cote Blanche Bay, West Cote Blanche Bay, Jaws or Little Bay, Vermilion Bay, Weeks Bay, and of all lagoons, lakes, bays, coves, sounds, inlets, and other water bodies adjoining or forming arms of said named bays, excluding, however, all rivers, creeks, streams or bayous tributary thereto, said mean high water line, with the exception of that part bordering Four League Bay or arms thereof.

following the shores of Terrebonne, St. Mary, Iberia, and Vermilion Parishes, to the most eastern point on that promontory of land forming the west side of Southwest Pass; thence in a general westerly direction along the shore of the Gulf of Mexico to the dividing line between Cameron and Vermilion Parishes; thence south along said dividing line into the marginal or maritime belt of the Gulf of Mexico to the extreme limit or boundary of the domain, territory, and sovereignty of the State of Louisiana; thence easterly along said limit or boundary to a point due south of place of beginning; thence north to place of beginning, including in particular the beds and bottoms of Vermilion Bay, Weeks Bay, West Cote Blanche Bay, Jaws or Little Bay, East Cote Blanche Bay, Bayou Sale Bay, Morrison's Cut-off, East Bay, Atchafalaya Bay and Four League Bay, Southwest Pass and part of the Gulf of Mexico; this particularization, however, not being or intended to be all-inclusive.

"LESS AND EXCEPT MARSH ISLAND and the beds and bottoms underlying the following three described tracts:

"Tract #1/ That part of Vermilion Bay lying in the N $\frac{1}{2}$ of T. 15 S., R. 3 E., La. Mer.

"Tract #2/ That part of Vermilion Bay lying in Iberia Parish.

"Tract #3/ That part of Bayou Sale Bay and East Cote Blanche Bay bounded as follows:

"On the east and south by the shore line of St. Mary Parish, on the north by the north line of Township 17 South - Range 3 East, Louisiana Meridian, and on the west by a line running due north from Pt. Chevreuil to the north line of said township.

"All of the above described property lying within the Parishes of Vermilion, Iberia, St. Mary, and Terrebonne, State of Louisiana."

I.

Lessee has this day paid to lessor the sum of Sixty Five Thousand & No/100 (\$ 75,000.00) Dollars for the right to begin operations for the drilling of a well on the herein leased premises at any time within one (1) year from the date hereof, for lessee's right to delay such operations under the conditions hereinafter provided, and for all other rights hereby granted.

Should lessee fail to begin operations for the drilling of a well on the herein leased premises within the one (1) year period above provided, then the said lessee is granted the right to defer such operations for an additional one (1) year period by paying to lessor the sum of Thirty Seven Thousand Five Hundred & No/100 (\$ 37,500.00) Dollars on or before the expiration of the one (1) year period from the date hereof. Lessee may continue to delay such operations for the drilling of a well on the herein leased premises for successive periods of one (1) year by paying to lessor the sum of Thirty Seven Thousand Five Hundred & No/100 (\$ 37,500.00) Dollars on or before the expiration of any period during which lessee shall have deferred operations for the drilling of a well on the herein leased premises; provided, however, that lessee's right to defer the beginning of operations for the drilling of a well on the herein leased premises shall not exceed in the aggregate five (5) years from the date of this lease.

If during the period of five (5) years from date hereof, and prior to the discovery of oil, gas or other mineral in

paying quantities, lessee shall begin drilling operations on the leased premises and shall thereafter cease such drilling operations for more than six (6) months, then the said lessee may continue his rights in effect for the remainder of said five (5) year period by resuming the payment of the annual rental hereinabove provided, and by paying to lessor within six (6) months from the cessation of such drilling operations said annual rental for the current period which lessee must have paid to maintain his rights had lessee begun no such operations.

II.

(a) If at any time during said five (5) year period lessee shall commence operations for the drilling of a well upon said leased premises, lessee shall thereupon have the right to select and retain under the terms and conditions of this lease fifty thousand (50,000) acres surrounding said well, free from the rental hereinbefore stipulated, said selection to be made by lessee at the time of completion of said well, or thereafter, at the option of said lessee, and if said operations result in the production of oil, gas or other mineral in paying quantities, this lease shall remain in full force and effect as to said fifty thousand (50,000) acres so long thereafter as oil, gas or other mineral is produced in paying quantities from any well on said fifty thousand (50,000) acres.

(b) Having so commenced the drilling of said well referred to in paragraph (a) next preceding, and having thereby earned the right to hold and retain under the terms and conditions of this lease fifty thousand (50,000) acres surrounding said well, free of rental, lessee is granted the right of continuing said lease as to all of the remainder of the acreage embraced therein, less said fifty thousand (50,000) acres, from year to year, by paying to lessor in advance the annual rental of Thirty Seven Thousand Five Hundred & No/100 (\$37,500.00) Dollars, which, when so paid, shall serve to extend said lease as to such remaining acreage for the full period of one (1) year.

(c) If at any time while this lease is in force lessee commences operations for the drilling of another well on another prospective area, separate from the area hereinabove provided for, he shall have then earned the right to select and retain under the terms and conditions hereof an additional area of fifty thousand (50,000) acres surrounding said well, free from the rentals hereinbefore stipulated, said selection to be made by lessee at the completion of said well, or thereafter, at lessee's option, and if said operations result in the production of oil, gas or other mineral, this lease shall remain in full force and effect as to said area of fifty thousand (50,000) acres so long thereafter as oil, gas or other mineral is produced in paying quantities from any well on said area.

(d) Having so commenced the drilling of said well referred to in paragraph (c) next preceding, and having thereby earned the right to hold and retain under the terms and conditions of this lease an additional fifty thousand (50,000) acres surrounding said well, free of rental, making a total of one hundred thousand (100,000) acres which lessee shall be entitled to retain under the terms and conditions hereof, free of rental, lessee is granted the right of continuing said lease as to all of the remainder of the acreage embraced herein, less said one hundred thousand (100,000) acres, from year to year, by paying to lessor in advance the annual rental of Thirty Seven Thousand

Five Hundred & No/100 (\$7,500.00) Dollars, which, when paid, shall serve to extend said lease, as to such remaining acreage, for the full period of one (1) year.

(e) If at any time while this lease is in force, lessee commences operations for the drilling of another well on a third and separate prospective area from the prospective areas mentioned in the paragraphs (a) and (c) above, he shall have then earned the right to retain under the terms and conditions of this lease the entire acreage embraced herein free from any rentals, so long as operations on all of said three separate prospective areas are continuous, in the sense that until oil, gas or other mineral is produced in paying quantities not more than six (6) months shall lapse between the abandonment of work on one well and the beginning of operations for the drilling of another well, and if said operations on all of said three separate areas result in the production of oil, gas or other mineral, then, subject to the other provisions hereof, this lease shall remain in full force and effect so long thereafter as oil, gas or other mineral is produced in paying quantities from all of said three separate areas.

(f) After the expiration of the primary term of five (5) years, if lessee should cease operations upon said leased premises, this lease shall not be terminated thereby, if lessee shall, at his election, within six (6) months from the date of such cessation of operations, (a) continue or resume operations upon any one prospective area located upon the herein leased premises and resume the payment to lessor of the annual rental of Thirty Seven Thousand Five Hundred & No/100, (\$7,500.00) Dollars, thereby maintaining said lease in full force and effect in its entirety from year to year during the time that drilling and/or production operations are being conducted upon said leased premises; or lessee may, at his election, (b) select as much as fifty thousand (50,000) acres on and surrounding each separate prospective area upon which lessee elects to continue or resume operations, and release the remainder of said leased premises, whereupon this lease shall remain in full force and effect as to each separate area so selected and retained, free from the payment of any delay rental, so long as lessee conducts continuously drilling operations, as hereinbefore defined, upon each selected area, and if production of oil, gas or other mineral in paying quantities results from said operations, then this lease shall remain in full force and effect as to each of said fifty thousand (50,000) acres areas, so long as oil, gas or other mineral is produced therefrom.

After the production of oil, gas or other mineral from said leased premises, lessee shall have the right to select and retain fifty thousand (50,000) acres surrounding each of said productive areas, and to hold the same under the conditions hereof so long as oil, gas or other mineral is produced therefrom, and if production should cease from any cause this lease, as to said selected area, shall not be terminated thereby if lessee commences drilling or reworking operations within six (6) months from such cessation of production, and if such operations result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said selected area hereunder.

(g) The payments of rentals and royalties provided by this lease may be made by the check or draft of lessee mailed or delivered to lessor.

III.

In event oil, gas or other mineral is discovered in paying quantities on any one of said prospective areas, then this lease shall remain in full force and effect as to the fifty thousand (50,000) acres surrounding said well and comprising said prospective area so long as production continues therefrom; and in event oil, gas or other mineral is discovered in paying quantities on as many as three separate areas, then and in that event this lease, in its entirety, shall remain in full force and effect as to the entire acreage herein leased, so long as oil, gas or other mineral is produced in paying quantities from said three separate areas.

If, after oil, gas or other mineral is discovered in paying quantities, production on any of said separate areas should cease from any cause, this lease shall not be terminated thereby as to such area if lessee, within six (6) months from the date of such cessation, resumes operations for the drilling of additional wells or reworking existing wells on said area, or if lessee is at that time prosecuting drilling operations upon one or more other separate areas located upon the leased premises, said lessee is granted the right and privilege within said six (6) months period from the date of said cessation of production of resuming the payment of the annual rental stipulated in article II hereof in lieu of such drilling or reworking operations.

If in the exercise of the rights herein granted oil, gas or other mineral is discovered in paying quantities in or on the leased premises, said lessee binds himself to thereafter proceed with the further development of said premises with reasonable diligence and to so continue until a reasonable development of the property has been accomplished.

Lessee further agrees that he will, while maintaining this lease in effect, drill any and all wells necessary on the premises to prevent material drainage of oil and/or gas therefrom by wells on adjoining property.

IV.

Should oil, gas and/or other mineral be produced in paying quantities on the premises hereunder, then the said lessee shall deliver to lessor as royalty, free of expense:

One-eighth (1/8th) of all oil produced and saved, delivery of said oil to be understood as made when same has been received by the first purchaser thereof. Or lessee may, in lieu of said oil delivery, and at his option, pay lessor sums equal to the value thereof on the premises; provided, that the price paid lessor for said oil shall not be less than the average posted pipe line price then current for oil of a like grade or quality.

One-eighth (1/8th) of all gas produced and utilized, delivery of said gas to be understood as made when same has been received by the first purchaser thereof. Or lessee may in lieu of said gas delivery, and at his option, pay to lessor sums equal to the value thereof at the well, provided that the price paid lessor for said gas shall not be less than the average price then current for gas of like character or quality.

Two (\$2.00) Dollars per long ton for all sulphur produced and saved.

Ten (10¢) cents per ton for all potash produced and

Should lessee, at any time after beginning to exploit the premises as understood herein, decide that he no longer cares to carry on drilling operations, then the said lessee is granted the right to cease such operations, and lessee shall, if he so elects, retain his rights in and to ten (10) acres of the property for each and every well which lessee shall have drilled thereon in an effort to produce oil or gas therefrom; provided that said well or wells shall be located on that portion or portions of the property so retained by lessee; and provided further, that lessee's rights in and to that portion of the premises so retained shall endure only so long as lessee shall produce oil, gas or other mineral from one or more of said wells on said premises in paying quantities.

Should lessee at any time elect to abandon operations as above provided, then lessee shall notify lessor in writing of his intention to so do, and shall specify what portion or portions of the said premises the said lessee is entitled by virtue hereof to retain and operate; and lessee shall, as soon as practicable thereafter, execute any instrument or instruments necessary to a proper release of the undeveloped portion of the premises.

It is agreed and understood that lessee shall not be required to drill more than one well for each forty (40) acres held hereunder where the premises shall prove to be productive of gas only, save and except where such well, or wells, are necessary to prevent drainage of gas from the said premises by wells on adjacent property; and it is further agreed that should lessee at any time elect to abandon drilling operations as provided in paragraph V hereof, then the said lessee shall be entitled to retain his rights in and to forty (40) acres for each and every gas well from which he shall at such time be producing gas in paying quantities; provided also, that any well or wells so producing shall be located on that portion or portions of the property retained by lessee; and provided further, that lessee's right to so hold such portion or portions of the said premises shall endure only so long as lessee shall produce therefrom gas in paying quantities.

If at any time during the life of this lease, lessee elects to no longer maintain the rights herein granted in effect, then the said lessee shall have the right to release and reassign unto lessor any and all rights hereby held unto lessee, whereupon this contract shall wholly terminate.

It is agreed and understood that operations hereunder shall offer no impediment to navigation.

II.

It is further agreed and understood that no transfer, whether in whole or in part, of the herein leased property shall be valid unless such transfer or assignment be approved by the Governor of the State of Louisiana.

THUS DONE, READ, ACCEPTED AND SIGNED by the parties hereto, the lessor, the State of Louisiana, herein represented by James A. Noe, Governor, and the lessee, Wm. T. Burton, in the presence of A. P. White and Carl Campbell, and before me, H. C. Comish, Assistant Secretary of State, on this 7th day of February, 1934.

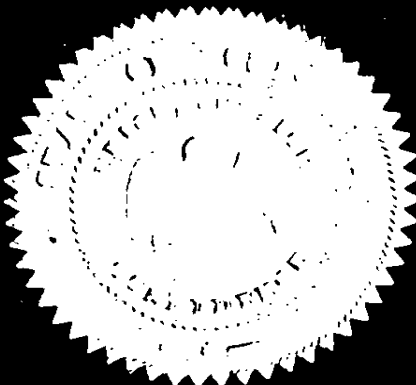
Witnesses:

[Signature]
Carl Campbell

[Signature] Governor
For the State of Louisiana, Lessor

[Signature]
Lessee

[Signature]
Assistant Secretary of State



68653 A

saved.

One-eighth (1/8th) of any and all other minerals not specifically mentioned, said royalties to be delivered or paid as is the accepted custom in such matters.

If, in the exercise of the rights herein granted, lessee shall discover oil in paying quantities upon said leased premises, then and in that event lessee agrees to pay to lessor, as an additional consideration for this lease, the sum of _____

Five Hundred Thousand & No/100
(\$500,000.00) Dollars, to be paid to lessor only from the proceeds of ~~one-one hundred twenty eighth~~ (1/128th) of the first oil produced, saved and marketed from said leased premises, which said sum shall not be a personal obligation but shall only be paid from the proceeds of ~~one-one hundred twenty eighth~~ (1/128th) of the first oil produced, saved and marketed from the premises herein leased, if, as and when produced, saved and marketed, and in no other manner.

WHEREAS, under the provisions of Act No. 50 of the Extra Legislative Session of 1915, as amended by Act 315 of 1926, application was made to the Governor for a lease of the hereinafter described lands, and a report thereon having been made by the Register of the State Land Office; and,

WHEREAS, in response to said advertisements, bids were received at the State Capitol on the 4th day of February, 1936, in the presence of A. P. White and Carl Campbell; and,

WHEREAS, it appears that the bid of Wm. T. Burton, hereinafter styled "lessee", is the most advantageous to the State of Louisiana:

NOW, THEREFORE, Be It Known And Remembered, that said Governor James A. Hoe, acting under the authority of the said Act No. 50 of the Extra Session of 1915, as amended by Act No. 315 of 1926, and in accordance with the terms thereof, and acting in behalf of the State of Louisiana as "lessor", does hereby let and lease unto the said lessee, his heirs and assigns, the hereinafter described property, for the purpose of exploiting the same by geophysical means in locating mineral bearing structure thereon, and for producing therefrom oil, gas and/or other minerals, in and under said property, and also the exclusive right of drilling and operating thereon for oil, gas and/or other minerals, together with a right-of-way for, and the right to lay pipe lines to convey water, oil, steam and gas, and the right to have sufficient water, oil and gas from the premises for all of lessee's operations thereon, and also such other privileges as are reasonably requisite for conducting such operations, and the right to remove from said premises at any time any and all property that may have been placed thereon by lessee, provided that the said lessee shall have fulfilled his obligations to lessor hereunder.

The said property to which this instrument applies is described as follows:

"All of the property now or formerly constituting the beds and other bottoms of lagoons, lakes, gulfs, bays, coves, sounds, inlets and other water bodies, and also all islands and other lands belonging to the State of Louisiana and not under lease from the State on the date of application, namely, Jan. 8th, 1936, and being situated or included within the following described boundaries:

"Beginning on the mean high water line at the most westerly tip of Terrebonne Parish, La., known as Pointe au Fer, and running along said mean high water line as it follows the shores of Atchafalaya Bay, Four League Bay, East Bay, Morrison's Cut-off, Bayou Sale Bay, East Cote Blanche Bay, West Cote Blanche Bay, Jaws or Little Bay, Vermilion Bay, Weeks Bay, and of all lagoons, lakes, bays, coves, sounds, inlets, and other water bodies adjoining or forming arms of said named bays, excluding, however, all rivers, creeks, streams or bayous tributary thereto, said mean high water line, with the exception of that part bordering Four League Bay or arms thereof,

following the shores of Terrebonne, St. Mary, Iberia, and Vermilion Parishes, to the most eastern point on that promontory of land forming the west side of Southwest Pass; thence in a general westerly direction along the shore of the Gulf of Mexico to the dividing line between Cameron and Vermilion Parishes; thence south along said dividing line into the marginal or maritime belt of the Gulf of Mexico to the extreme limit or boundary of the domain, territory, and sovereignty of the State of Louisiana; thence easterly along said limit or boundary to a point due south of place of beginning; thence north to place of beginning, including in particular the beds and bottoms of Vermilion Bay, Weeks Bay, West Cote Blanche Bay, Jaws or Little Bay, East Cote Blanche Bay, Bayou Sale Bay, Morrison's Cut-off, East Bay, Atchafalaya Bay and Four League Bay, Southwest Pass and part of the Gulf of Mexico; this particularization, however, not being or intended to be all-inclusive.

"LESS AND EXCEPT MARSH ISLAND and the beds and bottoms underlying the following three described tracts:

"Tract #1/ That part of Vermilion Bay lying in the N $\frac{1}{2}$ of T. 15 S., R. 3 E., La. Mer.

"Tract #2/ That part of Vermilion Bay lying in Iberia Parish.

"Tract #3/ That part of Bayou Sale Bay and East Cote Blanche Bay bounded as follows:

"On the east and south by the shore line of St. Mary Parish, on the north by the north line of Township 17 South - Range 9 East, Louisiana Meridian, and on the west by a line running due north from Pt. Chevreuil to the north line of said township.

"All of the above described property lying within the Parishes of Vermilion, Iberia, St. Mary, and Terrebonne, State of Louisiana."

I.

Lessee has this day paid to lessor the sum of Sixty Five Thousand & No/100 (\$ 75,000.00) Dollars for the right to begin operations for the drilling of a well on the herein leased premises at any time within one (1) year from the date hereof, for lessee's right to delay such operations under the conditions hereinafter provided, and for all other rights hereby granted.

Should lessee fail to begin operations for the drilling of a well on the herein leased premises within the one (1) year period above provided, then the said lessee is granted the right to defer such operations for an additional one (1) year period by paying to lessor the sum of Thirty Seven Thousand Five Hundred & No/100 (\$ 37,500.00) Dollars on or before the expiration of the one (1) year period from the date hereof. Lessee may continue to delay such operations for the drilling of a well on the herein leased premises for successive periods of one (1) year by paying to lessor the sum of Thirty Seven Thousand Five Hundred & No/100 (\$ 37,500.00) Dollars on or before the expiration of any period during which lessee shall have deferred operations for the drilling of a well on the herein leased premises; provided, however, that lessee's right to defer the beginning of operations for the drilling of a well on the herein leased premises shall not exceed in the aggregate five (5) years from the date of this lease.

If during the period of five (5) years from date hereof, and prior to the discovery of oil, gas or other mineral in

paying quantities, lessee shall begin drilling operations on the leased premises and shall thereafter cease such drilling operations for more than six (6) months, then the said lessee may continue his rights in effect for the remainder of said five (5) year period by resuming the payment of the annual rental hereinabove provided, and by paying to lessor within six (6) months from the cessation of such drilling operations said annual rental for the current period which lessee must have paid to maintain his rights had lessee begun no such operations.

II.

(a) If at any time during said five (5) year period lessee shall commence operations for the drilling of a well upon said leased premises, lessee shall thereupon have the right to select and retain under the terms and conditions of this lease fifty thousand (50,000) acres surrounding said well, free from the rental hereinbefore stipulated, said selection to be made by lessee at the time of completion of said well, or thereafter, at the option of said lessee, and if said operations result in the production of oil, gas or other mineral in paying quantities, this lease shall remain in full force and effect as to said fifty thousand (50,000) acres so long thereafter as oil, gas or other mineral is produced in paying quantities from any well on said fifty thousand (50,000) acres.

(b) Having so commenced the drilling of said well referred to in paragraph (a) next preceding, and having thereby earned the right to hold and retain under the terms and conditions of this lease fifty thousand (50,000) acres surrounding said well, free of rental, lessee is granted the right of continuing said lease as to all of the remainder of the acreage embraced therein, less said fifty thousand (50,000) acres, from year to year, by paying to lessor in advance the annual rental of Thirty Seven Thousand Five Hundred & No/100 (\$37,500.00) Dollars, which, when so paid, shall serve to extend said lease as to such remaining acreage for the full period of one (1) year.

(c) If at any time while this lease is in force lessee commences operations for the drilling of another well on another prospective area, separate from the area hereinabove provided for, he shall have then earned the right to select and retain under the terms and conditions hereof an additional area of fifty thousand (50,000) acres surrounding said well, free from the rentals hereinbefore stipulated, said selection to be made by lessee at the completion of said well, or thereafter, at lessee's option, and if said operations result in the production of oil, gas or other mineral, this lease shall remain in full force and effect as to said area of fifty thousand (50,000) acres so long thereafter as oil, gas or other mineral is produced in paying quantities from any well on said area.

(d) Having so commenced the drilling of said well referred to in paragraph (c) next preceding, and having thereby earned the right to hold and retain under the terms and conditions of this lease an additional fifty thousand (50,000) acres surrounding said well, free of rental, making a total of one hundred thousand (100,000) acres which lessee shall be entitled to retain under the terms and conditions hereof, free of rental, lessee is granted the right of continuing said lease as to all of the remainder of the acreage embraced herein, less said one hundred thousand (100,000) acres, from year to year, by paying to lessor in advance the annual rental of Thirty Seven Thousand

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Five Hundred & No/100 (\$57,500.00) Dollars, which, when paid, shall serve to extend said lease, as to such remaining acreage, for the full period of one (1) year.

(e) If at any time while this lease is in force, lessee commences operations for the drilling of another well on a third and separate prospective area from the prospective areas mentioned in the paragraphs (a) and (c) above, he shall have then earned the right to retain under the terms and conditions of this lease the entire acreage embraced herein free from any rentals, so long as operations on all of said three separate prospective areas are continuous, in the sense that until oil, gas or other mineral is produced in paying quantities not more than six (6) months shall lapse between the abandonment of work on one well and the beginning of operations for the drilling of another well, and if said operations on all of said three separate areas result in the production of oil, gas or other mineral, then, subject to the other provisions hereof, this lease shall remain in full force and effect so long thereafter as oil, gas or other mineral is produced in paying quantities from all of said three separate areas.

(f) After the expiration of the primary term of five (5) years, if lessee should cease operations upon said leased premises, this lease shall not be terminated thereby, if lessee shall, at his election, within six (6) months from the date of such cessation of operations, (a) continue or resume operations upon any one prospective area located upon the herein leased premises and resume the payment to lessor of the annual rental of Thirty Seven Thousand Five Hundred & No/100, (\$37,500.00) Dollars, thereby maintaining said lease in full force and effect in its entirety from year to year during the time that drilling and/or production operations are being conducted upon said leased premises; or lessee may, at his election, (b) select as much as fifty thousand (50,000) acres on and surrounding each separate prospective area upon which lessee elects to continue or resume operations, and release the remainder of said leased premises, whereupon this lease shall remain in full force and effect as to each separate area so selected and retained, free from the payment of any delay rental, so long as lessee conducts continuously drilling operations, as hereinbefore defined, upon each selected area, and if production of oil, gas or other mineral in paying quantities results from said operations, then this lease shall remain in full force and effect as to each of said fifty thousand (50,000) acres areas, so long as oil, gas or other mineral is produced therefrom.

After the production of oil, gas or other mineral from said leased premises, lessee shall have the right to select and retain fifty thousand (50,000) acres surrounding each of said productive areas, and to hold the same under the conditions hereof so long as oil, gas or other mineral is produced therefrom, and if production should cease from any cause this lease, as to said selected area, shall not be terminated thereby if lessee commences drilling or reworking operations within six (6) months from such cessation of production, and if such operations result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said selected area hereunder.

(g) The payments of rentals and royalties provided by this lease may be made by the check or draft of lessee mailed or delivered to lessor.

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III.

In event oil, gas or other mineral is discovered in paying quantities on any one of said prospective areas, then this lease shall remain in full force and effect as to the fifty thousand (50,000) acres surrounding said well and comprising said prospective area so long as production continues therefrom; and in event oil, gas or other mineral is discovered in paying quantities on as many as three separate areas, then and in that event this lease, in its entirety, shall remain in full force and effect as to the entire acreage herein leased, so long as oil, gas or other mineral is produced in paying quantities from said three separate areas.

If, after oil, gas or other mineral is discovered in paying quantities, production on any of said separate areas should cease from any cause, this lease shall not be terminated thereby as to such area if lessee, within six (6) months from the date of such cessation, resumes operations for the drilling of additional wells or reworking existing wells on said area, or if lessee is at that time prosecuting drilling operations upon one or more other separate areas located upon the leased premises, said lessee is granted the right and privilege within said six (6) months period from the date of said cessation of production of resuming the payment of the annual rental stipulated in article II hereof in lieu of such drilling or reworking operations.

If in the exercise of the rights herein granted oil, gas or other mineral is discovered in paying quantities in or on the leased premises, said lessee binds himself to thereafter proceed with the further development of said premises with reasonable diligence and to so continue until a reasonable development of the property has been accomplished.

Lessee further agrees that he will, while maintaining this lease in effect, drill any and all wells necessary on the premises to prevent material drainage of oil and/or gas therefrom by wells on adjoining property.

IV.

Should oil, gas and/or other mineral be produced in paying quantities on the premises hereunder, then the said lessee shall deliver to lessor as royalty, free of expense:

One-eighth (1/8th) of all oil produced and saved, delivery of said oil to be understood as made when same has been received by the first purchaser thereof. Or lessee may, in lieu of said oil delivery, and at his option, pay lessor sums equal to the value thereof on the premises; provided, that the price paid lessor for said oil shall not be less than the average posted pipe line price then current for oil of a like grade or quality.

One-eighth (1/8th) of all gas produced and utilized, delivery of said gas to be understood as made when same has been received by the first purchaser thereof. Or lessee may in lieu of said gas delivery, and at his option, pay to lessor sums equal to the value thereof at the well, provided that the price paid lessor for said gas shall not be less than the average price then current for gas of like character or quality.

Two (\$2.00) Dollars per long ton for all sulphur produced and saved.

Ten (10¢) cents per ton for all potash produced and

saved.

One-eighth (1/8th) of any and all other minerals not specifically mentioned, said royalties to be delivered or paid as is the accepted custom in such matters.

If, in the exercise of the rights herein granted, lessee shall discover oil in paying quantities upon said leased premises, then and in that event lessee agrees to pay to lessor, as an additional consideration for this lease, the sum of _____

Five Hundred Thousand & No/100
(\$500,000.00) Dollars, to be paid to lessor only from the proceeds of one-one hundred twenty eighth (1/128th) of the first oil produced, saved and marketed from said leased premises, which said sum shall not be a personal obligation but shall only be paid from the proceeds of one-one hundred twenty eighth (1/128th) of the first oil produced, saved and marketed from the premises herein leased, if, as and when produced, saved and marketed, and in no other manner.

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IX.

It is further agreed and understood that no transfer, whether in whole or in part, of the herein leased property shall be valid unless such transfer or assignment be approved by the Governor of the State of Louisiana.

THIS DONE, READ, ACCEPTED AND SIGNED by the parties hereto, the lessor, the State of Louisiana, herein represented by James A. Hoe, Governor, and the lessee, Wm. T. Burton, in the presence of A. P. White and Carl Campbell, and before me, H. C. Comish, Assistant Secretary of State, on this 7th day of February, 1934.

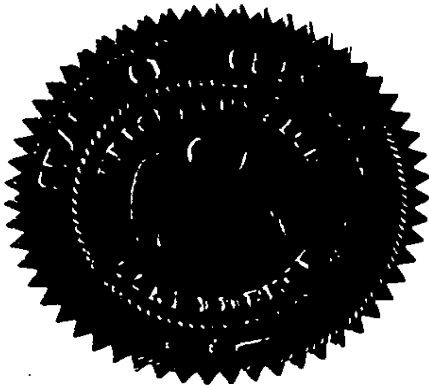
Witnesses:

[Signature]
Carl Campbell

[Signature] Governor
For the State of Louisiana, Lessor

[Signature]
Lessee

[Signature]
Assistant Secretary of State



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"The Strange Case of Lease 340"

Today, when offshore acreage is so expensive it is customarily bought in blocks of only 5,000 acres and even then is often a jointly purchased affair, the great monolithic holding of the Texas Co. seems imperial. It is indeed, and though the fact is little known, it was an imperial figure who made it possible, the late Huey P. Long, first Governor, then U. S. Senator from Louisiana. The Kingfish conceived the idea that state mineral leases were worth money, to Louisiana incidentally, but more importantly to any insiders sharp enough to manipulate them. He accordingly had some of his stooges set up the Win or Lose Corp. in November, 1934. Its operations were simple; state leases would be granted to the corporation's front man on a preferential basis, then resold to oil companies. Profits would be divided three-fourths to Win or Lose, one-fourth to its designated agent, William K. Burton, a Lake Charles oil man. Stockholders of Win or Lose were ostensibly State Senator James Moe (seventy-four shares), New Orleans Dock Board President Seymour Weiss (twenty-five shares), and Earle Christenberry, Huey's secretary (one share). In reality Senator Long was in on the deal as a silent partner with thirty-one shares, and so was the then Governor, O. K. Allen, with twelve. The first revenue for the Win or Lose Corp. came when agent Burton assigned to the Texas Co. a lease he had acquired from the state through Governor Allen; its price to Texaco - \$70,500. Other assignments followed, most of them going to the Texas Co. And of these the most fabulous prize was Lease 340.

Lease 340 originally covered 250,000 acres of land in four Louisiana parishes and in addition a tidelands parcel ten miles wide at the base and extending seaward indefinitely. Win or Lose agent Burton got the parcel from the State, February 7, 1936, for \$15,000 cash, although Gulf Refining had bid \$61,390 and a \$1,200,000 oil royalty. Win or Lose Corp. President James Moe, who was temporarily sitting in as governor after the sudden death of O. K. Allen, obligingly approved the Burton bid. Then Moe approved Burton's assignment of his lease to the Texas Co. for, primarily, \$95,000 in cash. Eight years later, in 1943, an aroused state mineral board moved to recover 470,000 acres of state oil lands from the lease that Burton had initially assigned to the Texas Co.; it also charged that Lease 340 was "tainted with favoritism." In this inhospitable atmosphere the Texas Co. "negotiated" (as it said) with the board and returned a good part of Lease 340's acreage. Last spring it tried to get the Department of the Interior to recognize the validity of that part of the lease which extends beyond the three-mile limit, about nine-tenths of the more than 450,000 acres remaining in its trust. The company failed, and unless the decision is overturned, this leaves Texaco with only 40,000 acres offshore, though acceptance by the Supreme Court of the Perez line, now being adjudicated, could more than triple the tidelands acreage. Even so, the acreage of Lease 340 remains the greatest bargain anyone ever got in the tidelands, though time has not improved its odor. The Texas Co. maintains it never knew what was going on. But if it didn't, a lot of equally savvy people did. "Loose leasing" was under fire, had been made an issue by incoming Governor Richard Leche, who contended that the state, under Allen and Moe, was not getting value received for its mineral deposits. And of the dubious oil leases, all had come to the Texas Co. via the Win or Lose Corp's William Burton.

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KNOW ALL MEN BY THESE PRESENTS: That Wm. T. Burton, husband of Ethel Lewis, a resident of Calcasieu Parish, Louisiana, hereinafter called transferrer, for and in consideration of Ninety-five Thousand (\$95,000.00) Dollars, cash in hand paid by The Texas Company, a corporation of the State of Delaware, does hereby sell, transfer and assign unto said The Texas Company, hereinafter called transferee, the following described oil, gas and mineral lease:

That certain lease bearing date February 7, 1936, and State Land Office No. 340, executed by the State of Louisiana in favor of W. T. Burton, covering and bearing upon the following described lands and water bottoms situated in the Parishes of Vermilion, Iberia, St. Mary, and Terrebonne, State of Louisiana, to-wit:

"All of the property now or formerly constituting the beds and other bottoms of lagoons, lakes, gulfs, bays, coves, sounds, inlets and other water bodies, and also all islands and other lands belonging to the State of Louisiana and not under lease from the State on the date of application, namely, Jan. 8th, 1936, and being situated or included within the following described boundaries:

"Beginning on the mean high water line at the most westerly tip of Terrebonne Parish, La., known as Pointe au Fer, and running along said mean high water line as it follows the shores of Atchafalaya Bay, Four League Bay, East Bay, Morrison's Cut-off, Bayou Sale Bay, East Cote Blanche Bay, West Cote Blanche Bay, Jaws or Little Bay, Vermilion Bay, Weeks Bay, and of all lagoons, lakes, bays, coves, sounds, inlets, and other water bodies adjoining or forming arms of said named bays, excluding, however, all rivers, creeks, streams or bayous tributary thereto, said mean high water line, with the exception of that part bordering Four League Bay or arms thereof, following the shores of Terrebonne, St. Mary, Iberia, and Vermilion Parishes, to the most eastern point on that promontory of land forming the west side of Southwest Pass; thence in a general westerly direction along the shore of the Gulf of Mexico to the dividing line between Cameron and Vermilion Parishes; thence south along said dividing line into the marginal or maritime belt of the Gulf of Mexico to the extreme limit or boundary of the domain, territory, and sovereignty of the State of Louisiana; thence easterly along said limit or boundary to a point due south of place of beginning; thence north to place of beginning, including in particular the beds and bottoms of Vermilion Bay, Weeks Bay, West Cote Blanche Bay, Jaws or Little Bay, East Cote Blanche Bay, Bayou Sale Bay, Morrison's Cut-off, East Bay, Atchafalaya Bay and Four League Bay, Southwest Pass and part of the Gulf of Mexico; this particularization, however, not being or intended to be all-inclusive.

"LESS AND EXCEPT MARSH ISLAND and the beds and bottoms underlying the following three described tracts:

"Tract #1/ That part of Vermilion Bay lying in the N $\frac{1}{2}$ of T. 15 S., R. 3 E., La. Mer.

"Tract #2/ That part of Vermilion Bay lying in Iberia Parish.

"Tract #3/ That part of Bayou Sale Bay and East Cote Blanche Bay bounded as follows:

"On the east and south by the shore line of St. Mary Parish, on the north by the north line of Town-

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ship 17 South - Range 9 East, Louisiana Meridian, and on the west by a line running due north from Pt. Chevreuil to the north line of said township.

"All of the above described property lying within the Parishes of Vermilion, Iberia, St. Mary, and Terrebonne, State of Louisiana."

1. As an additional consideration for the transfer and assignment of said lease herein transferred, said transferee agrees to pay to transferrer concurrently with the payment of the rental stipulated in Article I of said lease to be paid to lessor, the sum of Ten Thousand & no/100 (\$10,000.00) Dollars cash, said sum to be paid to transferrer annually as and if said rental under said lease is paid by the transferee herein to said lessor, until said transferee shall begin operations for the drilling of a well in search of oil, gas or other mineral upon said leased premises.

2. If and when transferee has begun drilling operations upon said leased premises and continues said operations in accordance with the provisions of said lease, then and in that event transferee agrees to pay to transferrer the sum of Ten Thousand & no/100 (\$10,000.00) Dollars for the entire acreage embraced in said lease, less the fifty thousand (50,000) acres described in sub-paragraph (b) of Article II of said lease, said sum to be paid to transferrer annually as and if said rental under said lease is paid by the transferee herein to lessor.

3. If and in event transferee begins operations for the drilling of a well upon a second area located upon said leased premises and continues said drilling operations in accordance with the provisions of said lease, then and in that event transferee agrees to pay to transferrer Ten Thousand & no/100 (\$10,000.00) Dollars for the entire acreage embraced in said lease, less the one hundred thousand (100,000) acres described in sub-paragraph (d) of Article II of said lease, said sum to be paid to transferrer annually as and if said rental under said lease is paid by the transferee herein to lessor.

4. If and when transferee shall commence operations for the drilling of a well upon a third separate area located upon said leased premises, then and in that event transferrer shall not be entitled to any annual payment so long as operations are conducted continuously upon all three separate areas in accordance with the terms and conditions of said lease.

5. If, during the primary term of five (5) years and prior to the discovery of oil, gas or other mineral in paying quantities, transferee should decide that it does not wish to continue drilling operations upon as many as three separate prospective areas located upon said leased premises, then and in that event transferee shall have the right to cease such drilling operations upon any one or all of said three prospective areas and resume the payment to transferrer of the sum of Ten Thousand & no/100 (\$10,000.00) Dollars, said sum to be paid to transferrer annually as and if payment of rental under Article I of said lease is resumed by transferee herein to lessor.

6. If, after the expiration of the primary term of five (5) years, transferee should cease operations and elect within six (6) months from the date of such cessation of operations to continue or resume operations upon any one prospective area located upon said leased premises and resume the payment to lessor of the annual rental stipulated in sub-paragraph (f) of Article II of said lease herein assigned, then and in that event transferee agrees to pay to transferrer concurrently with said annual rental payment to lessor the sum of Ten Thousand & no/100 (\$10,000.00) Dollars cash, said sum to be paid to transferrer annually as and if said rental under sub-paragraph (f) of Article II of said lease is paid by transferee herein to said lessor.

7. As a further and additional consideration of the transfer and assignment of said lease herein transferred, the transferee agrees that if and in event it shall discover and produce oil, gas and/or other minerals from said leased premises and water bottoms, it will in that event pay and deliver to transferrer an undivided one-twenty-fourth (1/24) of all of such oil, gas and/or other minerals produced and saved therefrom, as an overriding royalty, over and above the royalty to be paid to lessor in said lease, and which said overriding one-twenty-fourth (1/24) royalty shall be paid or delivered to said transferrer in the same manner as the royalty provided in said lease is paid to the lessor; it being distinctly understood, however, that no obligation is imposed on transferee to develop said leased premises nor to drill any well or wells thereon, save at its own option and election, it being understood that said overriding royalty on oil and/or gas shall be computed on the net quantity thereof produced and saved, after deducting any that may be used for operations on said leased premises.

8. Transferee shall pay or tender to transferrer, or to the credit of transferrer in the Calcasieu - Marine National Bank at Lake Charles, Louisiana, or its successor (which bank and/or successor bank is transferrer's agent), all sums contemplated herein to be paid to transferrer by transferee, including all royalty payments, and all such payments or tenders may be made by the check or draft of transferee mailed or delivered to said bank or transferrer on or before such date of payment.

9. It is warranted by transferrer that he has a good title to said lease, that the same is at this date a valid and subsisting lease, and that the recited consideration in said lease has been actually paid.

10. Transferee has the right at any time, at its election, to surrender or abandon said lease in whole or in part, without liability of any kind whatsoever, and it is agreed that in the event transferee elects to abandon or surrender said lease, or any part thereof, instead of surrendering the same back to lessor it will reassign back to transferrer said lease or such part thereof as is intended to be surrendered or abandoned, under the following conditions:

Transferee agrees to give transferrer not less than thirty (30) days written notice of its intention to so abandon said lease or any part thereof prior to the next ensuing rental paying date or date upon which drilling is required under the terms of said lease. Transferrer shall then notify transferee in writing, within twenty (20) days of the receipt of such notice, of his intention to accept or reject such reassignment, and failing so to do, transferee may immediately, without liability hereunder, release said lease or any part thereof to the lessor, it being distinctly understood that in event of such surrender or abandonment to lessor or to transferrer, transferee shall thereupon be relieved and released from any and all further obligations to the lessor and to transferrer hereunder, including the annual payments referred to in paragraphs 1, 2, 3, 5 and 6 hereof, to be made by transferee to transferrer in so far as the property released back to lessor or to transferrer is concerned, anything in this assignment to the contrary notwithstanding. In the event transferrer elects to accept such reassignment transferee will, upon such notification, promptly furnish transferrer a recordable instrument of reassignment, transferrer to obtain the official approval of such reassignment, it being agreed and understood, however, that transferee shall have a reasonable time thereafter for the removal from said lease or reassigned part thereof any and all of its mov-

able property placed thereon by it under the terms of said lease.

11. In no event shall transferee be obligated against its wish or option to drill or otherwise carry on operations under said lease.

IN WITNESS WHEREOF, this instrument is executed in triplicate originals this 15th day of February, 1936.

Witnesses:

L. Brown
W. J. Burton
C. J. Henderson
C. J. Hargis

W. J. Burton
Transferor

THE TEXAS COMPANY

By C. C. Hargis
Transferee.

Baton Rouge, Louisiana,

February 18th, 1936.

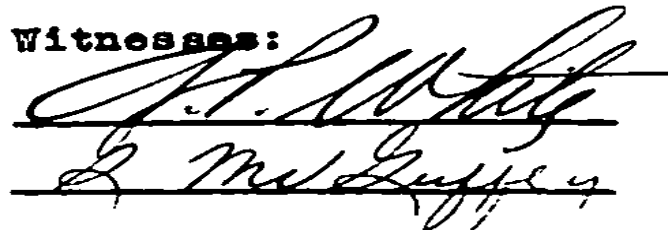
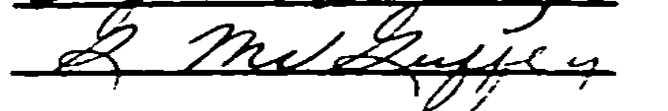
I hereby approve the foregoing instrument, with the distinct understanding and agreement that the transferee shall be bound and obligated to carry out all the terms and conditions of the original lease from the State of Louisiana to Wm. T. Burton dated February 7, 1936, and bearing No. 340 in the office of the Register of the State Land Office, in so far as it concerns the property described in and covered by said instrument.

Furthermore, the violation of or the failure to comply with the terms of the original lease prior hereto by the original lessee or prior assignees shall not be cured by the consent by the State to this instrument.

APPROVED:


GOVERNOR,
of the State of Louisiana

Witnesses:

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STATE OF LOUISIANAPARISH OF Cadmus

BE IT KNOWN, that on this 15th day of February, 1936, before me, the undersigned authority, and in the presence of S. M. [unclear] and Wm. T. Burton, competent witnesses, personally came and appeared Wm. T. Burton, who acknowledged unto me, said authority, in the presence of said witnesses, that he is the identical person..... who signed and executed the foregoing instrument in writing; that the same is his own free and voluntary act and deed; that he executed the same for the purposes and on the conditions and terms therein expressed.

Thus done and passed in the Parish of Cadmus, State of Louisiana, on the day and date first above written, in the presence of the above named and undersigned witnesses, who have hereunto subscribed their names, together with said appearer..... and me, said authority, after reading the whole.

Witnesses:

Wm. T. Burton
W. W. [unclear]
 Notary Public in and for the Parish of Cadmus
 State of Louisiana

STATE OF LOUISIANA
PARISH OF Caddo

BE IT KNOWN, That on this 15th day of February, 1936, before me, the undersigned authority, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared R. C. Stewart
Division Manager of The Texas Company

to me well known, and known to be such Division Manager
of The Texas Company, and executed the foregoing instrument, and thereupon the said
R. C. Stewart, as such Division Manager

acknowledged that he had signed and executed the same as his act and deed, and as the act and deed of the said corporation, for the consideration, uses and purposes and on the terms and conditions therein mentioned and in his said capacity.

And the said R. C. Stewart, being by me first duly sworn, did depose and say that he is
the Division Manager of The Texas Company

and that he signed and executed said instrument in his said capacity, and under authority of the Board of Directors of said corporation.

Thus done and passed in the Parish of Caddo State of Louisiana
on the day and date first hereinabove written, and in the presence of G. G. Alexander
and E. X. Hawkins, competent witnesses, who have hereunto subscribed their names as such,
together with said appearer and me, said authority, after due reading.

Witnesses:

[Signature]
[Signature]

Notary Public in and for the

of Caddo



State of Louisiana

63653 B

WHEREAS, under the provisions of Act No. 50 of the Extra Legislative Session of 1915, as amended by Act 315 of 1926, application was made to the Governor for a lease of the hereinafter described lands, and a report thereon having been made by the Register of the State Land Office; and,

WHEREAS, in response to said advertisements, bids were received at the State Capitol on the 4th day of February, 1936, in the presence of A. P. White and Carl Campbell; and,

WHEREAS, it appears that the bid of Wm. T. Burton, hereinafter styled "lessee", is the most advantageous to the State of Louisiana;

NOW, THEREFORE, Be It Known And Remembered, that said Governor James A. Hoe, acting under the authority of the said Act No. 50 of the Extra Session of 1915, as amended by Act No. 315 of 1926, and in accordance with the terms thereof, and acting in behalf of the State of Louisiana as "lessor", does hereby let and lease unto the said lessee, his heirs and assigns, the hereinafter described property, for the purpose of exploiting the same by geophysical means in locating mineral bearing structure thereon, and for producing therefrom oil, gas and/or other minerals, in and under said property, and also the exclusive right of drilling and operating thereon for oil, gas and/or other minerals, together with a right-of-way for, and the right to lay pipe lines to convey water, oil, steam and gas, and the right to have sufficient water, oil and gas from the premises for all of lessee's operations thereon, and also such other privileges as are reasonably requisite for conducting such operations, and the right to remove from said premises at any time any and all property that may have been placed thereon by lessee, provided that the said lessee shall have fulfilled his obligations to lessor hereunder.

The said property to which this instrument applies is described as follows:

"All of the property now or formerly constituting the beds and other bottoms of lagoons, lakes, gulfs, bays, coves, sounds, inlets and other water bodies, and also all islands and other lands belonging to the State of Louisiana and not under lease from the State on the date of application, namely, Jan. 8th, 1936, and being situated or included within the following described boundaries:

"Beginning on the mean high water line at the most westerly tip of Terrebonne Parish, La., known as Pointe au Fer, and running along said mean high water line as it follows the shores of Atchafalaya Bay, Four League Bay, East Bay, Morrison's Cut-off, Bayou Sale Bay, East Cote Blanche Bay, West Cote Blanche Bay, Jaws or Little Bay, Vermilion Bay, Weeks Bay, and of all lagoons, lakes, bays, coves, sounds, inlets, and other water bodies adjoining or forming arms of said named bays, including, however, all rivers, creeks, streams or bayous tributary thereto, said mean high water line, with the exception of that part bordering Four League Bay or arms thereof,

following the shores of Terrebonne, St. Mary, Iberia, and Vermilion Parishes, to the most eastern point on that promontory of land forming the west side of Southwest Pass; thence in a general westerly direction along the shore of the Gulf of Mexico to the dividing line between Cameron and Vermilion Parishes; thence south along said dividing line into the marginal or maritime belt of the Gulf of Mexico to the extreme limit or boundary of the domain, territory, and sovereignty of the State of Louisiana; thence easterly along said limit or boundary to a point due south of place of beginning; thence north to place of beginning, including in particular the beds and bottoms of Vermilion Bay, Weeks Bay, West Cote Blanche Bay, Jaws or Little Bay, East Cote Blanche Bay, Bayou Sale Bay, Morrison's Cut-off, East Bay, Atchafalaya Bay and Four League Bay, Southwest Pass and part of the Gulf of Mexico; this particularization, however, not being or intended to be all-inclusive.

"LESS AND EXCEPT MARSH ISLAND and the beds and bottoms underlying the following three described tracts:

"Tract #1/ That part of Vermilion Bay lying in the N $\frac{1}{2}$ of T. 15 S., R. 3 E., La. Mer.

"Tract #2/ That part of Vermilion Bay lying in Iberia Parish.

"Tract #3/ That part of Bayou Sale Bay and East Cote Blanche Bay bounded as follows:

"On the east and south by the shore line of St. Mary Parish, on the north by the north line of Township 17 South - Range 9 East, Louisiana Meridian, and on the west by a line running due north from Pt. Chevreuil to the north line of said township.

"All of the above described property lying within the Parishes of Vermilion, Iberia, St. Mary, and Terrebonne, State of Louisiana."

I.

Lessee has this day paid to lessor the sum of Sixty Five Thousand & No/100 (\$ 75,000.00) Dollars for the right to begin operations for the drilling of a well on the herein leased premises at any time within one (1) year from the date hereof, for lessee's right to delay such operations under the conditions hereinafter provided, and for all other rights hereby granted.

Should lessee fail to begin operations for the drilling of a well on the herein leased premises within the one (1) year period above provided, then the said lessee is granted the right to defer such operations for an additional one (1) year period by paying to lessor the sum of Thirty Seven Thousand Five Hundred & No/100 (\$ 37,500.00) Dollars on or before the expiration of the one (1) year period from the date hereof. Lessee may continue to delay such operations for the drilling of a well on the herein leased premises for successive periods of one (1) year by paying to lessor the sum of Thirty Seven Thousand Five Hundred & No/100 (\$ 37,500.00) Dollars on or before the expiration of any period during which lessee shall have deferred operations for the drilling of a well on the herein leased premises; provided, however, that lessee's right to defer the beginning of operations for the drilling of a well on the herein leased premises shall not exceed in the aggregate five (5) years from the date of this lease.

If during the period of five (5) years from date hereof, and prior to the discovery of oil, gas or other mineral in

paying quantities, lessee shall begin drilling operations on the leased premises and shall thereafter cease such drilling operations for more than six (6) months, then the said lessee may continue his rights in effect for the remainder of said five (5) year period by resuming the payment of the annual rental hereinabove provided, and by paying to lessor within six (6) months from the cessation of such drilling operations said annual rental for the current period which lessee must have paid to maintain his rights had lessee begun no such operations.

II.

(a) If at any time during said five (5) year period lessee shall commence operations for the drilling of a well upon said leased premises, lessee shall thereupon have the right to select and retain under the terms and conditions of this lease fifty thousand (50,000) acres surrounding said well, free from the rental hereinbefore stipulated, said selection to be made by lessee at the time of completion of said well, or thereafter, at the option of said lessee, and if said operations result in the production of oil, gas or other mineral in paying quantities, this lease shall remain in full force and effect as to said fifty thousand (50,000) acres so long thereafter as oil, gas or other mineral is produced in paying quantities from any well on said fifty thousand (50,000) acres.

(b) Having so commenced the drilling of said well referred to in paragraph (a) next preceding, and having thereby earned the right to hold and retain under the terms and conditions of this lease fifty thousand (50,000) acres surrounding said well, free of rental, lessee is granted the right of continuing said lease as to all of the remainder of the acreage embraced therein, less said fifty thousand (50,000) acres, from year to year, by paying to lessor in advance the annual rental of Thirty Seven Thousand Five Hundred & No/100 (\$37,500.00) Dollars, which, when so paid, shall serve to extend said lease as to such remaining acreage for the full period of one (1) year.

(c) If at any time while this lease is in force lessee commences operations for the drilling of another well on another prospective area, separate from the area hereinabove provided for, he shall have then earned the right to select and retain under the terms and conditions hereof an additional area of fifty thousand (50,000) acres surrounding said well, free from the rentals hereinbefore stipulated, said selection to be made by lessee at the completion of said well, or thereafter, at lessee's option, and if said operations result in the production of oil, gas or other mineral, this lease shall remain in full force and effect as to said area of fifty thousand (50,000) acres so long thereafter as oil, gas or other mineral is produced in paying quantities from any well on said area.

(d) Having so commenced the drilling of said well referred to in paragraph (c) next preceding, and having thereby earned the right to hold and retain under the terms and conditions of this lease an additional fifty thousand (50,000) acres surrounding said well, free of rental, making a total of one hundred thousand (100,000) acres which lessee shall be entitled to retain under the terms and conditions hereof, free of rental, lessee is granted the right of continuing said lease as to all of the remainder of the acreage embraced herein, less said one hundred thousand (100,000) acres, from year to year, by paying to lessor in advance the annual rental of Thirty Seven Thousand

Five Hundred & No/100 (\$57,500.00) Dollars, which, when paid, shall serve to extend said lease, as to such remaining acreage, for the full period of one (1) year.

(e) If at any time while this lease is in force, lessee commences operations for the drilling of another well on a third and separate prospective area from the prospective areas mentioned in the paragraphs (a) and (c) above, he shall have then earned the right to retain under the terms and conditions of this lease the entire acreage embraced herein free from any rentals, so long as operations on all of said three separate prospective areas are continuous, in the sense that until oil, gas or other mineral is produced in paying quantities not more than six (6) months shall lapse between the abandonment of work on one well and the beginning of operations for the drilling of another well, and if said operations on all of said three separate areas result in the production of oil, gas or other mineral, then, subject to the other provisions hereof, this lease shall remain in full force and effect so long thereafter as oil, gas or other mineral is produced in paying quantities from all of said three separate areas.

(f) After the expiration of the primary term of five (5) years, if lessee should cease operations upon said leased premises, this lease shall not be terminated thereby, if lessee shall, at his election, within six (6) months from the date of such cessation of operations, (a) continue or resume operations upon any one prospective area located upon the herein leased premises and resume the payment to lessor of the annual rental of Thirty Seven Thousand Five Hundred & No/100, (\$37,500.00) Dollars, thereby maintaining said lease in full force and effect in its entirety from year to year during the time that drilling and/or production operations are being conducted upon said leased premises; or lessee may, at his election, (b) select as much as fifty thousand (50,000) acres on and surrounding each separate prospective area upon which lessee elects to continue or resume operations, and release the remainder of said leased premises, whereupon this lease shall remain in full force and effect as to each separate area so selected and retained, free from the payment of any delay rental, so long as lessee conducts continuously drilling operations, as hereinbefore defined, upon each selected area, and if production of oil, gas or other mineral in paying quantities results from said operations, then this lease shall remain in full force and effect as to each of said fifty thousand (50,000) acres areas, so long as oil, gas or other mineral is produced therefrom.

After the production of oil, gas or other mineral from said leased premises, lessee shall have the right to select and retain fifty thousand (50,000) acres surrounding each of said productive areas, and to hold the same under the conditions hereof so long as oil, gas or other mineral is produced therefrom, and if production should cease from any cause this lease, as to said selected area, shall not be terminated thereby if lessee commences drilling or reworking operations within six (6) months from such cessation of production, and if such operations result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said selected area hereunder.

(g) The payments of rentals and royalties provided by this lease may be made by the check or draft of lessee mailed or delivered to lessor.

III.

In event oil, gas or other mineral is discovered in paying quantities on any one of said prospective areas, then this lease shall remain in full force and effect as to the fifty thousand (50,000) acres surrounding said well and comprising said prospective area so long as production continues therefrom; and in event oil, gas or other mineral is discovered in paying quantities on as many as three separate areas, then and in that event this lease, in its entirety, shall remain in full force and effect as to the entire acreage herein leased, so long as oil, gas or other mineral is produced in paying quantities from said three separate areas.

If, after oil, gas or other mineral is discovered in paying quantities, production on any of said separate areas should cease from any cause, this lease shall not be terminated thereby as to such area if lessee, within six (6) months from the date of such cessation, resumes operations for the drilling of additional wells or reworking existing wells on said area, or if lessee is at that time prosecuting drilling operations upon one or more other separate areas located upon the leased premises, said lessee is granted the right and privilege within said six (6) months period from the date of said cessation of production of resuming the payment of the annual rental stipulated in article II hereof in lieu of such drilling or reworking operations.

If in the exercise of the rights herein granted oil, gas or other mineral is discovered in paying quantities in or on the leased premises, said lessee binds himself to thereafter proceed with the further development of said premises with reasonable diligence and to so continue until a reasonable development of the property has been accomplished.

Lessee further agrees that he will, while maintaining this lease in effect, drill any and all wells necessary on the premises to prevent material drainage of oil and/or gas therefrom by wells on adjoining property.

IV.

Should oil, gas and/or other mineral be produced in paying quantities on the premises hereunder, then the said lessee shall deliver to lessor as royalty, free of expense:

One-eighth (1/8th) of all oil produced and saved, delivery of said oil to be understood as made when same has been received by the first purchaser thereof. Or lessee may, in lieu of said oil delivery, and at his option, pay lessor sums equal to the value thereof on the premises; provided, that the price paid lessor for said oil shall not be less than the average posted pipe line price then current for oil of a like grade or quality.

One-eighth (1/8th) of all gas produced and utilized, delivery of said gas to be understood as made when same has been received by the first purchaser thereof. Or lessee may in lieu of said gas delivery, and at his option, pay to lessor sums equal to the value thereof at the well, provided that the price paid lessor for said gas shall not be less than the average price then current for gas of like character or quality.

Two (\$2.00) Dollars per long ton for all sulphur produced and saved.

Ten (10¢) cents per ton for all potash produced and

saved.

One-eighth ($1/8$ th) of any and all other minerals not specifically mentioned, said royalties to be delivered or paid as is the accepted custom in such matters.

If, in the exercise of the rights herein granted, lessee shall discover oil in paying quantities upon said leased premises, then and in that event lessee agrees to pay to lessor, as an additional consideration for this lease, the sum of _____

Five Hundred Thousand & No/100
(\$500,000.00) Dollars, to be paid to lessor only from the proceeds of one-one hundred twenty eighth ($1/128$) of the first oil produced, saved and marketed from said leased premises, which said sum shall not be a personal obligation but shall only be paid from the proceeds of one-one hundred twenty eighth ($1/128$ th) of the first oil produced, saved and marketed from the premises herein leased, if, as and when produced, saved and marketed, and in no other manner.

As an additional consideration for this lease, the sum of \$100.00, then and in full cash lease money to be paid to lessor, and to be received by him in full cash lease money upon said lease.

Should lessee at any time elect to abandon operations as above provided, then lessee shall notify lessor in writing of his intention to so do, and shall specify what portion or portions of the said premises the said lessee is entitled by virtue hereof to retain and operate; and lessee shall, as soon as practicable thereafter, execute any instrument or instruments necessary to a proper release of the undeveloped portion of the premises.

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VII.

VIII.

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II.

It is further agreed and understood that no transfer, whether in whole or in part, of the herein leased property shall be valid unless such transfer or assignment be approved by the Governor of the State of Louisiana.

THUS DONE, READ, ACCEPTED AND SIGNED by the parties hereto, the lessor, the State of Louisiana, herein represented by James A. Noe, Governor, and the lessee, Wm. T. Burton, in the presence of A. P. White and Carl Campbell, and before me, H. C. Comish, Assistant Secretary of State, on this 7th day of February, 1936.

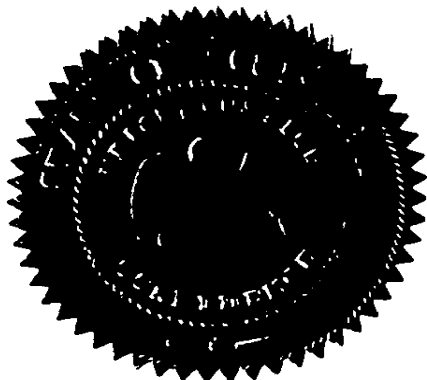
Witnesses:

[Signature]
Carl Campbell

[Signature] Governor
For the State of Louisiana, Lessor

[Signature]
Lessee

[Signature]
Assistant Secretary of State



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5/

KNOW ALL MEN BY THESE PRESENTS: That Wm. T. Burton, husband of Ethel Lewis, a resident of Calcasieu Parish, Louisiana, hereinafter called transferrer, for and in consideration of Ninety-five Thousand (\$95,000.00) Dollars, cash in hand paid by The Texas Company, a corporation of the State of Delaware, does hereby sell, transfer and assign unto said The Texas Company, hereinafter called transferee, the following described oil, gas and mineral lease:

That certain lease bearing date February 7, 1936, and State Land Office No. 340, executed by the State of Louisiana in favor of W. T. Burton, covering and bearing upon the following described lands and water bottoms situated in the Parishes of Vermilion, Iberia, St. Mary, and Terrebonne, State of Louisiana, to-wit:

"All of the property now or formerly constituting the beds and other bottoms of lagoons, lakes, gulfs, bays, coves, sounds, inlets and other water bodies, and also all islands and other lands belonging to the State of Louisiana and not under lease from the State on the date of application, namely, Jan. 8th, 1936, and being situated or included within the following described boundaries:

"Beginning on the mean high water line at the most westerly tip of Terrebonne Parish, La., known as Pointe au Fer, and running along said mean high water line as it follows the shores of Atchafalaya Bay, Four League Bay, East Bay, Morrison's Cut-off, Bayou Sale Bay, East Cote Blanche Bay, West Cote Blanche Bay, Jaws or Little Bay, Vermilion Bay, Weeks Bay, and of all lagoons, lakes, bays, coves, sounds, inlets, and other water bodies adjoining or forming arms of said named bays, excluding, however, all rivers, creeks, streams or bayous tributary thereto, said mean high water line, with the exception of that part bordering Four League Bay or arms thereof, following the shores of Terrebonne, St. Mary, Iberia, and Vermilion Parishes, to the most eastern point on that promontory of land forming the west side of Southwest Pass; thence in a general westerly direction along the shore of the Gulf of Mexico to the dividing line between Cameron and Vermilion Parishes; thence south along said dividing line into the marginal or maritime belt of the Gulf of Mexico to the extreme limit or boundary of the domain, territory, and sovereignty of the State of Louisiana; thence easterly along said limit or boundary to a point due south of place of beginning; thence north to place of beginning, including in particular the beds and bottoms of Vermilion Bay, Weeks Bay, West Cote Blanche Bay, Jaws or Little Bay, East Cote Blanche Bay, Bayou Sale Bay, Morrison's Cut-off, East Bay, Atchafalaya Bay and Four League Bay, Southwest Pass and part of the Gulf of Mexico; this particularization, however, not being or intended to be all-inclusive.

"LESS AND EXCEPT MARSH ISLAND and the beds and bottoms underlying the following three described tracts:

"Tract #1/ That part of Vermilion Bay lying in the N $\frac{1}{2}$ of T. 15 S., R. 3 E., La. Mer.

"Tract #2/ That part of Vermilion Bay lying in Iberia Parish.

"Tract #3/ That part of Bayou Sale Bay and East Cote Blanche Bay bounded as follows:

"On the east and south by the shore line of St. Mary Parish, on the north by the north line of Town-

ship 17 South - Range 9 East, Louisiana Meridian,
and on the west by a line running due north from Pt.
Chevreuil to the north line of said township.

"All of the above described property lying within the
Parishes of Vermilion, Iberia, St. Mary, and Terrebonne,
State of Louisiana."

1. As an additional consideration for the transfer and assignment of said lease herein transferred, said transferee agrees to pay to transferrer concurrently with the payment of the rental stipulated in Article I of said lease to be paid to lessor, the sum of Ten Thousand & no/100 (\$10,000.00) Dollars cash, said sum to be paid to transferrer annually as and if said rental under said lease is paid by the transferee herein to said lessor, until said transferee shall begin operations for the drilling of a well in search of oil, gas or other mineral upon said leased premises.

2. If and when transferee has begun drilling operations upon said leased premises and continues said operations in accordance with the provisions of said lease, then and in that event transferee agrees to pay to transferrer the sum of Ten Thousand & no/100 (\$10,000.00) Dollars for the entire acreage embraced in said lease, less the fifty thousand (50,000) acres described in sub-paragraph (b) of Article II of said lease, said sum to be paid to transferrer annually as and if said rental under said lease is paid by the transferee herein to lessor.

3. If and in event transferee begins operations for the drilling of a well upon a second area located upon said leased premises and continues said drilling operations in accordance with the provisions of said lease, then and in that event transferee agrees to pay to transferrer Ten Thousand & no/100 (\$10,000.00) Dollars for the entire acreage embraced in said lease, less the one hundred thousand (100,000) acres described in sub-paragraph (d) of Article II of said lease, said sum to be paid to transferrer annually as and if said rental under said lease is paid by the transferee herein to lessor.

4. If and when transferee shall commence operations for the drilling of a well upon a third separate area located upon said leased premises, then and in that event transferrer shall not be entitled to any annual payment so long as operations are conducted continuously upon all three separate areas in accordance with the terms and conditions of said lease.

5. If, during the primary term of five (5) years and prior to the discovery of oil, gas or other mineral in paying quantities, transferee should decide that it does not wish to continue drilling operations upon as many as three separate prospective areas located upon said leased premises, then and in that event transferee shall have the right to cease such drilling operations upon any one or all of said three prospective areas and resume the payment to transferrer of the sum of Ten Thousand & no/100 (\$10,000.00) Dollars, said sum to be paid to transferrer annually as and if payment of rental under Article I of said lease is resumed by transferee herein to lessor.

6. If, after the expiration of the primary term of five (5) years, transferee should cease operations and elect within six (6) months from the date of such cessation of operations to continue or resume operations upon any one prospective area located upon said leased premises and resume the payment to lessor of the annual rental stipulated in sub-paragraph (f) of Article II of said lease herein assigned, then and in that event transferee agrees to pay to transferrer concurrently with said annual rental payment to lessor the sum of Ten Thousand & no/100 (\$10,000.00) Dollars cash, said sum to be paid to transferrer annually as and if said rental under sub-paragraph (f) of Article II of said lease is paid by transferee herein to said lessor.

7. As a further and additional consideration of the transfer and assignment of said lease herein transferred, the transferee agrees that if and in event it shall discover and produce oil, gas and/or other minerals from said leased premises and water bottoms, it will in that event pay and deliver to transferrer an undivided one-twenty-fourth (1/24) of all of such oil, gas and/or other minerals produced and saved therefrom, as an overriding royalty, over and above the royalty to be paid to lessor in said lease, and which said overriding one-twenty-fourth (1/24) royalty shall be paid or delivered to said transferrer in the same manner as the royalty provided in said lease is paid to the lessor; it being distinctly understood, however, that no obligation is imposed on transferee to develop said leased premises nor to drill any well or wells thereon, save at its own option and election, it being understood that said overriding royalty on oil and/or gas shall be computed on the net quantity thereof produced and saved, after deducting any that may be used for operations on said leased premises.

8. Transferee shall pay or tender to transferrer, or to the credit of transferrer in the Calcasieu - Marine National Bank at Lake Charles, Louisiana, or its successor (which bank and/or successor bank is transferrer's agent), all sums contemplated herein to be paid to transferrer by transferee, including all royalty payments, and all such payments or tenders may be made by the check or draft of transferee mailed or delivered to said bank or transferrer on or before such date of payment.

9. It is warranted by transferrer that he has a good title to said lease, that the same is at this date a valid and subsisting lease, and that the recited consideration in said lease has been actually paid.

10. Transferee has the right at any time, at its election, to surrender or abandon said lease in whole or in part, without liability of any kind whatsoever, and it is agreed that in the event transferee elects to abandon or surrender said lease, or any part thereof, instead of surrendering the same back to lessor it will reassign back to transferrer said lease or such part thereof as is intended to be surrendered or abandoned, under the following conditions:

Transferee agrees to give transferrer not less than thirty (30) days written notice of its intention to so abandon said lease or any part thereof prior to the next ensuing rental paying date or date upon which drilling is required under the terms of said lease. Transferrer shall then notify transferee in writing, within twenty (20) days of the receipt of such notice, of his intention to accept or reject such reassignment, and failing so to do, transferee may immediately, without liability hereunder, release said lease or any part thereof to the lessor, it being distinctly understood that in event of such surrender or abandonment to lessor or to transferrer, transferee shall thereupon be relieved and released from any and all further obligations to the lessor and to transferrer hereunder, including the annual payments referred to in paragraphs 1, 2, 3, 5 and 6 hereof, to be made by transferee to transferrer in so far as the property released back to lessor or to transferrer is concerned, anything in this assignment to the contrary notwithstanding. In the event transferrer elects to accept such reassignment transferee will, upon such notification, promptly furnish transferrer a recordable instrument of reassignment, transferrer to obtain the official approval of such reassignment, it being agreed and understood, however, that transferee shall have a reasonable time thereafter for the removal from said lease or reassigned part thereof any and all of its mov-

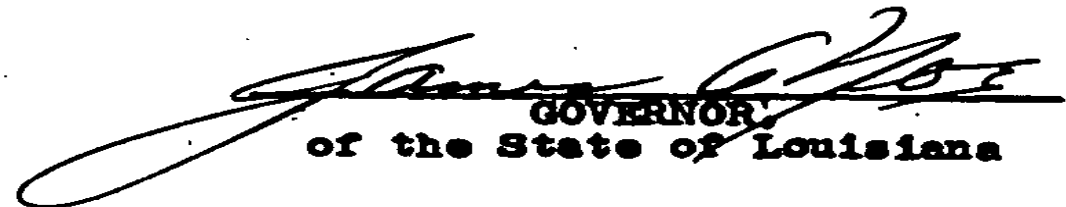
Baton Rouge, Louisiana,,

February 18th, 1936.

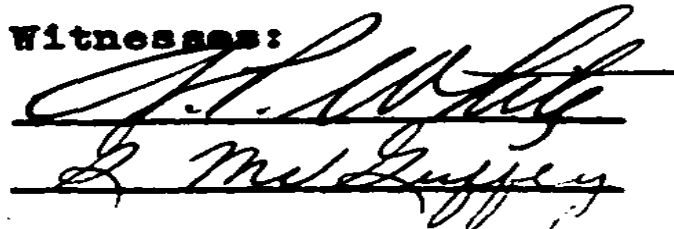
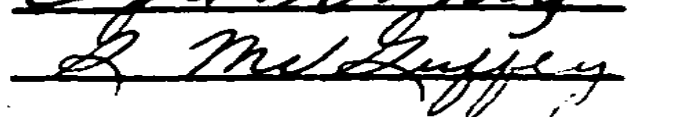
I hereby approve the foregoing instrument, with the distinct understanding and agreement that the transferee shall be bound and obligated to carry out all the terms and conditions of the original lease from the State of Louisiana to Wm. T. Burton dated February 7, 1936, and bearing No. 340 in the office of the Register of the State Land Office, in so far as it concerns the property described in and covered by said instrument.

Furthermore, the violation of or the failure to comply with the terms of the original lease prior hereto by the original lessee or prior assignees shall not be cured by the consent by the State to this instrument.

APPROVED:


GOVERNOR
of the State of Louisiana

Witnesses:

62653 B

able property placed thereon by it under the terms of said lease.

11. In no event shall transferee be obligated against its wish or option to drill or otherwise carry on operations under said lease.

IN WITNESS WHEREOF, this instrument is executed in triplicate originals this 15th day of February, 1936.

Witnesses:

L. Brown
Wm. J. Burton
C. C. Timmons
C. C. Timmons

Wm. J. Burton
Transferor

THE TEXAS COMPANY

By C. C. Timmons
Transferee.

STATE OF **LOUISIANA**
PARISH OF Caddo

BE IT KNOWN, That on this 15th day of February, 1936, before me, the undersigned authority, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared R. C. Stewart
Division Manager of **The Texas Company**

to me well known, and known to be such **Division Manager**
of **The Texas Company**, and executed the foregoing instrument, and thereupon the said
R. C. Stewart, as such **Division Manager**

acknowledged that he had signed and executed the same as his act and deed, and as the act and deed of the said corporation, for the consideration, uses and purposes and on the terms and conditions therein mentioned and in his said capacity.

And the said R. C. Stewart, being by me first duly sworn, did depose and say that he is
the **Division Manager** of **The Texas Company**

and that he signed and executed said instrument in his said capacity, and under authority of the Board of Directors of said corporation.

Thus done and passed in the **Parish** of Caddo State of **Louisiana**
on the day and date first hereinabove written, and in the presence of E. J. Alexander
and E. J. Hawkins, competent witnesses, who have hereunto subscribed their names as such,
together with said appearer and me, said authority, after due reading.

Witnesses:

E. J. Alexander
E. J. Hawkins

Notary Public in and for the

of Caddo

State of

Louisiana



R. C. Stewart

63655 B

STATE OF LOUISIANAPARISH OF Cadiz

BE IT KNOWN, that on this 15th day of February, 1936, before me, the undersigned authority, and in the presence of L. Brown and Samuel, competent witnesses, personally came and appeared Wm. T. Burton, who acknowledged unto me, said authority, in the presence of said witnesses, that he is the identical person..... who signed and executed the foregoing instrument in writing; that the same is his own free and voluntary act and deed; that he executed the same for the purposes and on the conditions and terms therein expressed.

Thus done and passed in the Parish of Cadiz, State of Louisiana, on the day and date first above written, in the presence of the above named and undersigned witnesses, who have hereunto subscribed their names, together with said appearer..... and me, said authority, after reading the whole.

Witnesses:

L. Brown
Samuel

Wm. T. Burton
W. W. Thompson
 Notary Public in and for the Parish of Cadiz
 State of Louisiana

157-310

FORTUNE
VOLUME NO. 6
December 1956

"The Strange Case of Lease 340"

Today, when offshore acreage is so expensive it is customarily bought in blocks of only 5,000 acres and even then is often a jointly purchased affair, the great monolithic holding of the Texas Co. seems imperial. It is indeed, and though the fact is little known, it was an imperial figure who made it possible, the late Huey P. Long, first Governor, then U. S. Senator from Louisiana. The Kingfish conceived the idea that state mineral leases were worth money, to Louisiana incidentally, but more importantly to any insiders sharp enough to manipulate them. He accordingly had some of his stooges set up the Win or Lose Corp. in November, 1934. Its operations were simple; state leases would be granted to the corporation's front man on a preferential basis, then resold to oil companies. Profits would be divided three-fourths to Win or Lose, one-fourth to its designated agent, William K. Burton, a Lake Charles oil man. Stockholders of Win or Lose were ostensibly State Senator James Noe (seventy-four shares), New Orleans Dock Board President Seymour Weiss (twenty-five shares), and Earle Christenberry, Huey's secretary (one share). In reality Senator Long was in on the deal as a silent partner with thirty-one shares, and so was the then Governor, O. K. Allen, with twelve. The first revenue for the Win or Lose Corp. came when agent Burton assigned to the Texas Co. a lease he had acquired from the state through Governor Allen; its price to Texaco - \$70,500. Other assignments followed, most of them going to the Texas Co. And of these the most fabulous prize was Lease 340.

Lease 340 originally covered 250,000 acres of land in four Louisiana parishes and in addition a tidelands parcel ten miles wide at the base and extending seaward indefinitely. Win or Lose agent Burton got the parcel from the State, February 7, 1936, for \$15,000 cash, although Gulf Refining had bid \$61,100 and a \$1,200,000 oil royalty. Win or Lose Corp. President James Noe, who was temporarily sitting in as governor after the sudden death of O. K. Allen, obligingly approved the Burton bid. Then Noe approved Burton's assignment of his lease to the Texas Co. for, primarily, \$95,000 in cash. Eight years later, in 1943, an aroused state mineral board moved to recover 470,000 acres of state oil lands from the lease that Burton had initially assigned to the Texas Co.; it also charged that Lease 340 was "tainted with favoritism." In this inhospitable atmosphere the Texas Co. "negotiated" (as it said) with the board and returned a good part of Lease 340's acreage. Last spring it tried to get the Department of the Interior to recognize the validity of that part of the lease which extends beyond the three-mile limit, about nine-tenths of the more than 450,000 acres remaining in its tract. The company failed, and unless the decision is overturned, this leaves Texaco with only 40,000 acres offshore, though acceptance by the Supreme Court of the Perez Line, now being adjudicated, could more than triple the tidelands acreage. Even so, the acreage of Lease 340 remains the greatest bargain anyone ever got in the tidelands, though time has not improved its odor. The Texas Co. maintains it never knew what was going on. But if it didn't, a lot of equally savvy people did. "Loose leasing" was under fire, had been made an issue by incoming Governor Richard Leche, who contended that the state, under Allen and Noe, was not getting value received for its mineral deposits. And of the dubious oil leases, all had come to the Texas Co. via the Win or Lose Corp's William Burton.

OFFICE OF THE SECRETARY

From: WO (130)
REVERLY

For Release November 2, 1979

Doug Fant 343-4325

NEW ORLEANS
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SETTLEMENT REACHED ON 26-YEAR-OLD
OIL LEASE BOUNDARY DISPUTE

Under Secretary of the Interior James A. Joseph announced today that a settlement has been reached in a 26-year-old boundary dispute between the Interior Department and Texaco, Inc., involving an oil and gas lease off the Louisiana coast.

The agreement gives the United States around 20,000 acres of the disputed portion of the lease and a substantial portion of its estimated resource potential. Texaco will keep rights to around 8,500 acres which were also in dispute.

The dispute centered around interpretation of the terms of the 1936 grant of the lease by then-Governor Huey Long to Louisiana's Secretary of State William Burton. A week after acquiring the lease, Burton sold it to Texaco's predecessor, the Texas Company.

When the lease was granted, Louisiana claimed a seaward boundary three leagues--nine miles--from land. In 1947 and 1950 decisions, the Supreme Court held that the United States, rather than the states, held rights to the submerged land lying seaward of the ordinary low water mark. Those decisions had the effect of limiting Texaco right to conduct offshore operations under its Louisiana lease.

Coastal states objected strongly to the Supreme Court decisions and in 1953, the Congress responded by enacting the Submerged Lands Act. That measure allowed the confirmation of States boundaries out beyond the line of ordinary low water and all coastal states were given the right to claim a boundary three miles away from the coast-line as defined in the Act. Louisiana and other Gulf states were given the opportunity to prove their historical claims to boundaries which lay as much as nine miles offshore. Louisiana failed to establish such a claim.

The Texaco lease dispute then shifted to the question of which of several possible definitions of "coastline" would be used as a point from which to measure the gulfward boundary of the state-issued lease.

(more)

After passage of the OCS Lands Act, the Department of the Interior in 1954 validated as a federal lease that part of the previously-issued state lease which Louisiana originally granted in good faith to Burton. In 1958, the Solicitor found the lease to consist of the area "nine miles from the coastline of Louisiana." In 1966, after United States ratification of the Geneva Convention on the Territorial Seas and Contiguous Zone, Texaco applied for a drilling permit in an area more than nine miles from the coastline as defined in the Convention.

The Department rejected the permit application, claiming that the 1958 Solicitor's Opinion determined that the actual shoreline, and not the more southerly "salient points" line constituted the baseline from which to measure nine miles into the Gulf of Mexico and that the application sought permission to drill in an area more than nine miles from the shoreline of Louisiana. A 1968 Solicitor's Opinion confirmed the conclusion.

Texaco appealed the decision in federal court, and the Circuit Court for the District of Columbia in 1970 sent the case back to the Interior Department for a new decision as to what constituted the good faith understanding in 1936 as to the location of the baseline.

In 1978, negotiations toward resolution of the dispute began. They culminated in the agreement announced today.

xxx

STATE OF **LOUISIANA**
LEASE NO. **340** (**South Marsh Island Prospect**)

Lessee's No. (if any) **63653**

Department of **O.C.S.**
Interior No. **0310**

CERTIFICATE OF COMPLIANCE

Pursuant To

Section 6(a) of the Outer Continental Shelf Lands Act

To The Secretary of Interior of the United States:

The undersigned, **The Texas Company, a Delaware corporation**

, (hereafter, whether one or more, sometimes called Lessee) hereby certifies that:

(1) A certain oil, gas and mineral lease (sometimes herein called the Lease) hereafter in this numbered paragraph identified, is owned by Lessee as lessee thereunder and a true copy thereof (including as a part of the Lease all assignments, extensions and amendments thereof, if any) is filed herewith as a part hereof as Exhibit A, the Lease being identified for the purposes hereof as follows:

Lessor: **State of Louisiana by the State Mineral Board of the State of Louisiana**

Dated: **February 7, 1936**

State Lease Number, if any: **340**

Area and Block and Tract Numbers, if any: **South Marsh Island Area**

Original Lessee: **Wm. T. Burton**

(2) The Lease was issued prior to December 21, 1948, and would have been on June 5, 1950, in force and effect in accordance with its terms and provisions and the law of the State issuing it had the State had authority to issue the Lease;

(3) There is filed herewith as a part hereof, as a part of Exhibit A, responsive to paragraph (3) of subsection (a) of Section 6 of the Outer Continental Shelf Lands Act, a showing evidentiary of the statement contained in paragraph numbered (2) above that the Lease would have been in force and effect under the circumstances there stated, said showing being certificate issued by the **Register of State Land Office of Louisiana and the Secretary of the Louisiana State Mineral Board.**

(4) Except as may otherwise be provided in Exhibit B, if there be an Exhibit B filed herewith, all rents, royalties, and other sums payable under the Lease between June 5, 1950 and August 7, 1953, which have not been paid in accordance with the provisions thereof, or to the Secretary of the Interior or to the Secretary of the Navy, total the sum of **None due**, and if any amount of money is stated just above, such amount is tendered herewith; **(There is no Exhibit B hereto)**

(5) The Lease shall continue to be subject to all overriding royalty obligations, if any, existing on August 7, 1953, consistently with the controlling provisions of any agreement or agreements pertaining to any such overriding royalty obligations;

(6) The Lease was not obtained by fraud or misrepresentation and was obtained in good faith upon a full disclosure of such facts as was required in order to obtain the Lease;

(7) The Lease, if issued on or after June 23, 1947, was issued upon the basis of competitive bidding, and the cash bonus paid therefor was \$ **75,000.00**, and such competitive sale was held at **Baton Rouge, Louisiana** on the **4th** day of **February, 1936;**

(8) The Lease provides for a royalty to the Lessor on oil and gas of not less than 12½ per centum and on sulphur of not less than 5 per centum in amount or value of the production saved, removed, or sold from the Lease, provided, if it be determined that the Lease provides for a lesser royalty, Lessee hereby consents in this writing filed with the Secretary of Interior to the increase of the royalty to the minimum hereinabove specified;

(9) Except as may otherwise be provided in Exhibit C, if there be an Exhibit C filed herewith, the amount equivalent to any severance, gross production, or occupation taxes imposed by the State issuing the Lease on the production from the Lease, less the State's royalty interest in such production, between June 5, 1950, and August 7, 1953, and not heretofore paid to the State is ~~none due~~ and if any amount of money is stated just above, such amount is tendered herewith; **(there is no Exhibit C hereto)**

(10) The Lease will terminate within a period of not more than five years from August 7, 1953 in the absence of production or operations for drilling, or, if it be determined the Lease provides for a longer period, Lessee hereby consents in this writing filed with the Secretary of Interior to the reduction of such period so that it will not exceed the maximum period hereinabove specified, and so that its primary term will terminate at the end of such maximum period; and

(11) Lessee hereby undertakes to comply with all reasonable requirements the Secretary of Interior may deem necessary to protect the interest of the United States and agrees to furnish, if and as required by the Secretary, such surety bond as may be so required.

REMARKS: This showing of compliance pursuant to the provisions of Section 6(a) of the Outer Continental Shelf Lands Act consists of:

- 1. Duly executed Certificate of Compliance proper, being two printed sheets and one typewritten sheet, and including as parts thereof,**
- 2. Exhibit A, being a true copy of the Lease (being the Lease identified and covered by this Certificate of Compliance consisting of said lease dated February 7, 1936; assignment of said lease by Wm. T. Burton to The Texas Company dated February 15, 1936; agreement between Wm. T. Burton and The Texas Company dated February 15, 1936, with respect to the warranty clause of the aforesaid assignment of date February 15, 1936; instrument of selection and release dated November 18, 1943, of certain areas of said lease; instrument of re-release dated September 27, 1944, of certain areas under said lease; instrument of release dated February 12, 1946, of certain other areas under said lease; letter dated August 31, 1946, from The Texas Company to the State Mineral Board and approved by said State Mineral Board on January 25, 1947, agreeing that the drilling of a well at a location approximately four (4) miles Gulfward from the shore of Marsh Island would be deemed a well drilled upon the "South Marsh Island Prospect"; and certified copy of resolution adopted by the State Mineral Board on February 17, 1948, agreeing that The Texas Company should be relieved of the necessity of commencing operations for the drilling of a well upon the area referred to during the pendency of certain described litigation), together with proper authentication thereof and certification required by Paragraph 3 of said Section 6(a), and**
- 3. Schedule I, filed herewith as a part hereof, being a statement of the Lease account responsive to paragraph (4) of the "Notice To Holders Of State Leases For Areas Within The Outer Continental Shelf" signed by the Acting Secretary of the Interior under date of September 18, 1953, and a statement of the facts as to the production status of the Lease responsive to paragraph (11) of said Notice.**

Wherefore, having furnished showings responsive to the provisions of subsection (a) of Section 6 of the Outer Continental Shelf Lands Act, Lessee respectfully requests the prompt determination by the Secretary of Interior that the Lease, insofar and to the extent it covers submerged lands of the Outer Continental Shelf, meets the requirements of said subsection, to the end that Lessee, its successors, assigns, and representatives may continue to maintain the Lease, and may promptly be in position to enjoy and exercise its rights thereunder and to conduct operations thereunder in accordance with the provisions of subsection (b) of said Section 6 and the further provisions of said Section 6 and as may otherwise be provided by applicable law, and Lessee stands ready to furnish such further proof responsive to said subsection (a) of said Act as may reasonably be required.

IN WITNESS WHEREOF Lessee has duly executed, or caused to be properly executed, this Certification for the purposes aforesaid as of the 26th day of October, 1953.

THE TEXAS COMPANY

ATTEST:

By

J. B. Jackson
Vice President

D. H. Mulvey
Ass't Secretary

STATE OF Texas

COUNTY of Harris

I, E. E. Griffin, hereby certify that J. B. Jackson whose name is subscribed to the accompanying instrument, is Vice President of THE TEXAS COMPANY, a Delaware corporation; and D. H. MULVEY who attested said instrument is Ass't Secretary of said corporation, and that the said officers are duly authorized to execute and attest the same by and on behalf of said THE TEXAS COMPANY

WITNESS my hand and the corporate seal of said THE TEXAS COMPANY this day of October 26, 1953.

E. E. Griffin
Ass't Secretary of THE TEXAS COMPANY

ATTEST:

By

President

Secretary

STATE OF

COUNTY of
PARISH of

I, _____, hereby certify that _____, whose name is subscribed to the accompanying instrument, is _____ President of _____, a _____ corporation; and _____ who attested said instrument is _____ Secretary of said corporation, and that the said officers are duly authorized to execute and attest the same by and on behalf of said _____

WITNESS my hand and the corporate seal of said _____ this day of _____, 1953.

Secretary of

ATTEST:

By
..... *President*

.....
..... *Secretary*

STATE OF
COUNTY
PARISH of }

I,, hereby certify that, whose name is
subscribed to the accompanying instrument, is President of
....., a corporation; and
who attested said instrument is Secretary of said corporation, and that the said officers
are duly authorized to execute and attest the same by and on behalf of said

WITNESS my hand and the corporate seal of said
this day of, 1953.

.....
..... *Secretary of*

ATTEST:

By
..... *President*

.....
..... *Secretary*

STATE OF
COUNTY
PARISH of }

I,, hereby certify that, whose name is
subscribed to the accompanying instrument, is President of
....., a corporation; and
who attested said instrument is Secretary of said corporation, and that the said officers
are duly authorized to execute and attest the same by and on behalf of said

WITNESS my hand and the corporate seal of said
this day of, 1953.

.....
..... *Secretary of*

Lessee, responsive to the general provisions of said Notice and to paragraph (2) thereof, hereby furnishes, respecting the laws of the State of Louisiana authorizing the issuance of the Lease and the imposition of the taxes covered by paragraph (9) hereof, the following citations:

- (a) As to issuance of the Lease and the execution of any extensions or renewals thereof or amendments thereto or the approval of any assignments thereof (if there be any such):

Louisiana Revised Statutes of 1950, Title 30, Sections 121 through 136.

Louisiana Act No. 93 of 1936, as amended by Louisiana Acts No. 80 of 1938, No. 71 of 1940, No. 92 of 1940, No. 153 of 1942, No. 364 of 1942, No. 134 of 1944, No. 370 of 1946, No. 58 of 1948, No. 244 of 1948, No. 46 of 1950, No. 59 of 1950, No. 290 of 1950 and No. 388 of 1950.

Louisiana Act No. 30 of the Extra Session of 1915, as amended by Louisiana Act No. 315 of 1926.

- (b) As to the said taxes:

Section 21 of Article X of the Louisiana Constitution of 1921.

Louisiana Revised Statutes of 1950, Title 47, Sections 631 through 697.

Louisiana Act No. 24 of the Second Extra Session of 1935, as amended by Louisiana Acts No. 119 of 1936, No. 403 of 1938, No. 145 of 1940, No. 299 of 1940, No. 284 of 1942, No. 202 of 1946 and No. 10 of 1948.

Louisiana Act No. 140 of 1922, as amended by Louisiana Acts No. 301 of 1926, No. 5 of 1928, No. 53 of 1934 and No. 5 of the Third Extra Session of 1934.

Louisiana Act No. 11 of 1948.

Louisiana Act No. 208 of 1948.

13-12
STATE OF LOUISIANA
LEASE NO. 340

(Southwest Marsh
Island Prospect)
Department of
Interior No. 0311

Lessee's No. (if any) 63653

CERTIFICATE OF COMPLIANCE

Pursuant To

Section 6(a) of the Outer Continental Shelf Lands Act

To The Secretary of Interior of the United States:

The undersigned, The Texas Company, a Delaware corporation

SECTION 2 AM 10 0

BUREAU OF LAND MANAGEMENT
WASHINGTON, D. C.

or more, sometimes called Lessee) hereby certifies that: (hereafter, whether one

(1) A certain oil, gas and mineral lease (sometimes herein called the Lease) hereafter in this numbered paragraph identified, is owned by Lessee as lessee thereunder and a true copy thereof (including as a part of the Lease all assignments, extensions and amendments thereof, if any) is filed herewith as a part hereof as Exhibit A, the Lease being identified for the purposes hereof as follows:

Lessor: State of Louisiana by the State Mineral Board of the State
of Louisiana

Dated: February 7, 1936

State Lease Number, if any: 340

Area and Block and Tract Numbers, if any: Southwest Marsh Island Area

Original Lessee: Wm. T. Burton

(2) The Lease was issued prior to December 21, 1948, and would have been on June 5, 1950, in force and effect in accordance with its terms and provisions and the law of the State issuing it had the State had authority to issue the Lease;

(3) There is filed herewith as a part hereof, as a part of Exhibit A, responsive to paragraph (3) of subsection (a) of Section 6 of the Outer Continental Shelf Lands Act, a showing evidentiary of the statement contained in paragraph numbered (2) above that the Lease would have been in force and effect under the circumstances there stated, said showing being certificate issued by the Register of State Land Office of Louisiana and the Secretary of the Louisiana State Mineral Board.

(4) Except as may otherwise be provided in Exhibit B, if there be an Exhibit B filed herewith, all rents, royalties, and other sums payable under the Lease between June 5, 1950 and August 7, 1953, which have not been paid in accordance with the provisions thereof, or to the Secretary of the Interior or to the Secretary of the Navy, total the sum of None due

and if any amount of money is stated just above, such amount is tendered herewith; (There is no Exhibit B hereto)

(5) The Lease shall continue to be subject to all overriding royalty obligations, if any, existing on August 7, 1953, consistently with the controlling provisions of any agreement or agreements pertaining to any such overriding royalty obligations;

(6) The Lease was not obtained by fraud or misrepresentation and was obtained in good faith upon a full disclosure of such facts as was required in order to obtain the Lease;

(7) The Lease, if issued on or after June 23, 1947, was issued upon the basis of competitive bidding, and the cash bonus paid therefor was \$75,000.00, and such competitive sale was held at Baton Rouge, Louisiana on the 4th day of February, 1936;

(8) The Lease provides for a royalty to the Lessor on oil and gas of not less than 12½ per centum and on sulphur of not less than 5 per centum in amount or value of the production saved, removed, or sold from the Lease, provided, if it be determined that the Lease provides for a lesser royalty, Lessee hereby consents in this writing filed with the Secretary of Interior to the increase of the royalty to the minimum hereinabove specified;

(9) Except as may otherwise be provided in Exhibit C, if there be an Exhibit C filed herewith, the amount equivalent to any severance, gross production, or occupation taxes imposed by the State issuing the Lease on the production from the Lease, less the State's royalty interest in such production, between June 5, 1950, and August 7, 1953, and not heretofore paid to the State is NONE due and if any amount of money is stated just above, such amount is tendered herewith; (there is no Exhibit C hereto)

(10) The Lease will terminate within a period of not more than five years from August 7, 1953 in the absence of production or operations for drilling, or, if it be determined the Lease provides for a longer period, Lessee hereby consents in this writing filed with the Secretary of Interior to the reduction of such period so that it will not exceed the maximum period hereinabove specified, and so that its primary term will terminate at the end of such maximum period; and

(11) Lessee hereby undertakes to comply with all reasonable requirements the Secretary of Interior may deem necessary to protect the interest of the United States and agrees to furnish, if and as required by the Secretary, such surety bond as may be so required.

REMARKS: This showing of compliance pursuant to the provisions of Section 6(a) of the Outer Continental Shelf Lands Act consists of:

1. Duly executed Certificate of Compliance proper, being two printed sheets and one typewritten sheet, and including as parts thereof,
2. Exhibit A, being a true copy of the Lease (being the Lease identified and covered by this Certificate of Compliance consisting of said lease dated February 7, 1936; assignment of said lease by Wm. T. Burton to The Texas Company dated February 15, 1936; agreement between Wm. T. Burton and The Texas Company dated February 15, 1936, with respect to the warranty clause of the aforesaid assignment of date February 15, 1936; instrument of selection and release dated November 18, 1943, of certain areas of said lease; instrument of release dated September 27, 1944, of certain areas under said lease; instrument of release dated February 12, 1946, of certain other areas under said lease; letter dated August 31, 1946, from The Texas Company to the State Mineral Board and approved by said State Mineral Board on January 25, 1947, agreeing that the drilling of a well at a location approximately four (4) miles Gulfward from the shore of Marsh Island would be deemed a well drilled upon the "South Marsh Island Prospect", which adjoins on the East the "Southwest Marsh Island Prospect"; and certified copy of resolution adopted by the State Mineral Board on February 17, 1948, agreeing that The Texas Company should be relieved of the necessity of commencing operations for the drilling of a well upon the area referred to during the pendency of certain described litigation), together with proper authentication thereof and certification required by Paragraph 3 of said Section 6(a), and
3. Schedule I, filed herewith as a part hereof, being a statement of the Lease account responsive to paragraph (4) of the "Notice To Holders Of State Leases For Areas Within The Outer Continental Shelf" signed by the Acting Secretary of the Interior under date of September 18, 1953, and a statement of the facts as to the production status of the Lease responsive to paragraph (11) of said Notice.

Lessee, responsive to the general provisions of said Notice and to paragraph (2) thereof, hereby furnishes, respecting the laws of the State of Louisiana authorizing the issuance of the Lease and the imposition of the taxes covered by paragraph (9) hereof, the following citations:

- (a) As to issuance of the Lease and the execution of any extensions or renewals thereof or amendments thereto or the approval of any assignments thereof (if there be any such):

Louisiana Revised Statutes of 1950, Title 30, Sections 121 through 136.

Louisiana Act No. 93 of 1936, as amended by Louisiana Acts No. 80 of 1938, No. 71 of 1940, No. 92 of 1940, No. 153 of 1942, No. 364 of 1942, No. 134 of 1944, No. 370 of 1946, No. 58 of 1948, No. 244 of 1948, No. 46 of 1950, No. 59 of 1950, No. 290 of 1950 and No. 388 of 1950.

Louisiana Act No. 30 of the Extra Session of 1915, as amended by Louisiana Act No. 315 of 1926.

- (b) As to the said taxes:

Section 21 of Article X of the Louisiana Constitution of 1921.

Louisiana Revised Statutes of 1950, Title 47, Sections 631 through 697.

Louisiana Act No. 24 of the Second Extra Session of 1935, as amended by Louisiana Acts No. 119 of 1936, No. 403 of 1938, No. 145 of 1940, No. 299 of 1940, No. 284 of 1942, No. 202 of 1946 and No. 10 of 1948.

Louisiana Act No. 140 of 1922, as amended by Louisiana Acts No. 301 of 1926, No. 5 of 1928, No. 53 of 1934 and No. 5 of the Third Extra Session of 1934.

Louisiana Act No. 11 of 1948.

Louisiana Act No. 208 of 1948.

B-15

Wherefore, having furnished showings responsive to the provisions of subsection (a) of Section 6 of the Outer Continental Shelf Lands Act, Lessee respectfully requests the prompt determination by the Secretary of Interior that the Lease, insofar and to the extent it covers submerged lands of the Outer Continental Shelf, meets the requirements of said subsection, to the end that Lessee, its successors, assigns, and representatives may continue to maintain the Lease, and may promptly be in position to enjoy and exercise its rights thereunder and to conduct operations thereunder in accordance with the provisions of subsection (b) of said Section 6 and the further provisions of said Section 6 and as may otherwise be provided by applicable law, and Lessee stands ready to furnish such further proof responsive to said subsection (a) of said Act as may reasonably be required.

IN WITNESS WHEREOF Lessee has duly executed, or caused to be properly executed, this Certification for the purposes aforesaid as of the 26th day of October, 1953.

ATTEST:

D. H. Mulvey
Ass't. Secretary **D. H. MULVEY**

THE TEXAS COMPANY
By J. B. Jackson
Vice President

STATE OF Texas
COUNTY of Harris
~~PARISH~~

I, E. E. Griffin, hereby certify that J. B. Jackson, whose name is subscribed to the accompanying instrument, is Vice President of THE TEXAS COMPANY, a Delaware corporation; and D. H. MULVEY who attested said instrument is Ass't Secretary of said corporation, and that the said officers are duly authorized to execute and attest the same by and on behalf of said THE TEXAS COMPANY.

WITNESS my hand and the corporate seal of said THE TEXAS COMPANY this day of October 26, 1953.

E. E. Griffin
Ass't Secretary of THE TEXAS COMPANY

ATTEST:

By _____
President

Secretary

STATE OF _____
COUNTY of _____
PARISH of _____

I, _____, hereby certify that _____, whose name is subscribed to the accompanying instrument, is _____ President of _____, a _____ corporation; and _____ who attested said instrument is _____ Secretary of said corporation, and that the said officers are duly authorized to execute and attest the same by and on behalf of said _____.

WITNESS my hand and the corporate seal of said _____ this day of _____, 1953.

Secretary of _____

ATTEST:

By
..... *President*

.....
..... *Secretary*

STATE OF }
COUNTY }
PARISH of }

I,, hereby certify that, whose name is
subscribed to the accompanying instrument, is President of
....., a corporation; and
who attested said instrument is Secretary of said corporation, and that the said officers
are duly authorized to execute and attest the same by and on behalf of said

WITNESS my hand and the corporate seal of said
this day of, 1953.

.....
..... *Secretary of*

ATTEST:

By
..... *President*

.....
..... *Secretary*

STATE OF }
COUNTY }
PARISH of }

I,, hereby certify that, whose name is
subscribed to the accompanying instrument, is President of
....., a corporation; and
who attested said instrument is Secretary of said corporation, and that the said officers
are duly authorized to execute and attest the same by and on behalf of said

WITNESS my hand and the corporate seal of said
this day of, 1953.

.....
..... *Secretary of*

STATE OF LOUISIANA

LEASE NO. 340 (RABBIT ISLAND DOME AREA OF SAID LEASE)

Lessee's No. (if any) 63653

Department of Interior No. O.C.S. 0331

CERTIFICATE OF COMPLIANCE

Pursuant To

Section 6(a) of the Outer Continental Shelf Lands Act

To The Secretary of Interior of the United States:

The undersigned, The Texas Company, a Delaware corporation

or more, sometimes called Lessee) hereby certifies that:

(1) A certain oil, gas and mineral lease (sometimes herein called the Lease) hereafter in this numbered paragraph identified, is owned by Lessee as lessee thereunder and a true copy thereof (including as a part of the Lease all assignments, extensions and amendments thereof, if any) is filed herewith as a part hereof as Exhibit A, the Lease being identified for the purposes hereof as follows:

Lessor: State of Louisiana by the State Mineral Board of the State of Louisiana

Dated: February 7, 1936

State Lease Number, if any: 340

Area and Block and Tract Numbers, if any: The Rabbit Island Dome Area of said State Lease No. 340 is located in the Eugene Island Area but no reference to the Eugene Island Area is made in the Lease description.

Original Lessee: Wm. T. Burton

(2) The Lease was issued prior to December 21, 1948, and would have been on June 5, 1950, in force and effect in accordance with its terms and provisions and the law of the State issuing it had the State had authority to issue the Lease;

(3) There is filed herewith as a part hereof, as a part of Exhibit A, responsive to paragraph (3) of subsection (a) of Section 6 of the Outer Continental Shelf Lands Act, a showing evidentiary of the statement contained in paragraph numbered (2) above that the Lease would have been in force and effect under the circumstances there stated; said showing being certificate issued by the Register of State Land Office of Louisiana and the Secretary of the Louisiana State Mineral Board;

(4) Except as may otherwise be provided in Exhibit B, if there be an Exhibit B filed herewith, all rents, royalties, and other sums payable under the Lease between June 5, 1950 and August 7, 1953, which have not been paid in accordance with the provisions thereof, or to the Secretary of the Interior or to the Secretary of the Navy, total the sum of None due

and if any amount of money is stated just above, such amount is tendered herewith; (Please see Exhibits B and B-1 hereto attached)

(5) The Lease shall continue to be subject to all overriding royalty obligations, if any, existing on August 7, 1953, consistently with the controlling provisions of any agreement or agreements pertaining to any such overriding royalty obligations;

(6) The Lease was not obtained by fraud or misrepresentation and was obtained in good faith upon a full disclosure of such facts as was required in order to obtain the Lease;

(7) The Lease, if issued on or after June 23, 1947, was issued upon the basis of competitive bidding and the cash bonus paid therefor was \$75,000.00, and such competitive sale was held at Baton Rouge, Louisiana on the 4th day of February, 1936;

(8) The Lease provides for a royalty to the Lessor on oil and gas of not less than 12½ per centum and on sulphur of not less than 5 per centum in amount or value of the production saved, removed, or sold from the Lease, provided, if it be determined that the Lease provides for a lesser royalty, Lessee hereby consents in this writing filed with the Secretary of Interior to the increase of the royalty to the minimum hereinabove specified;

(9) Except as may otherwise be provided in Exhibit C, if there be an Exhibit C filed herewith, the amount equivalent to any severance, gross production, or occupation taxes imposed by the State issuing the Lease on the production from the Lease, less the State's royalty interest in such production, between June 5, 1950, and August 7, 1953, and not heretofore paid to the State is **None due** and if any amount of money is stated just above, such amount is tendered herewith; **(Please see Exhibits C and C-1 hereto attached)**

(10) The Lease will terminate within a period of not more than five years from August 7, 1953 in the absence of production or operations for drilling, or, if it be determined the Lease provides for a longer period, Lessee hereby consents in this writing filed with the Secretary of Interior to the reduction of such period so that it will not exceed the maximum period hereinabove specified, and so that its primary term will terminate at the end of such maximum period; and

(11) Lessee hereby undertakes to comply with all reasonable requirements the Secretary of Interior may deem necessary to protect the interest of the United States and agrees to furnish, if and as required by the Secretary, such surety bond as may be so required.

REMARKS: This showing of compliance pursuant to the provisions of Section 6(a) of the Outer Continental Shelf Lands Act consists of:

1. Duly executed Certificate of Compliance proper, being two printed sheets and two typewritten sheets, and including, as parts thereof,

2. Exhibit A, being a true copy of the Lease (being the Lease identified and covered by this Certificate of Compliance, consisting of said Lease dated February 7, 1936; assignment of said Lease by Wm. T. Burton to The Texas Company dated February 15, 1936; agreement between Wm. T. Burton and The Texas Company dated February 15, 1936 with respect to the warranty clause of the aforesaid assignment of date February 15, 1936; instrument of selection and release dated November 18, 1943 of certain areas of said Lease; instrument of release dated September 27, 1944 of certain areas under said Lease; and instrument of release dated February 12, 1946 of certain other areas under said Lease) together with proper authentication thereof and the certification required by paragraph (3) of said Section 6(a), and

3. Exhibits B and B-1, being statement concerning and tabulation of the royalties and overriding royalties payable in compliance with the "Notice To Holders Of State Leases For Areas Within The Outer Continental Shelf" dated September 18, 1953, published in the Federal Register of September 25, 1953, for the period August 7, 1953 through September 25, 1953, together with check of The Texas Company No. 43648 to the Secretary of the Interior in the amount of \$11,514.04, and

4. Exhibits C and C-1, being statement concerning and tabulation of the payment of an amount equivalent to the severance taxes imposed by the State of Louisiana in compliance with the "Notice To Holders Of State Leases For Areas Within The Outer Continental Shelf" dated September 18, 1953, published in the Federal Register of September 25, 1953, for the period August 7, 1953 through September 25, 1953, together with

check of The Texas Company No. 43649 to the Secretary of the Interior in the amount of \$6,307.37 and check of The Texas Company No. 76161 to the Secretary of the Interior in the amount of \$2.51, and

5. Schedule I filed herewith as a part hereof, being a statement of the Lease account responsive to paragraph (4) of the "Notice To Holders Of State Leases For Areas Within The Outer Continental Shelf" signed by the Acting Secretary of the Interior under date of September 18, 1953, and a statement of the facts as to the production status of the Lease responsive to paragraph (11) of said Notice.

Lessee, responsive to the general provisions of said Notice and to paragraph (2) thereof, hereby furnishes, respecting the laws of the State of Louisiana authorizing the issuance of the Lease and the imposition of the taxes covered by paragraph (9) hereof, the following citations:

- (a) As to issuance of the Lease and the execution of any extensions or renewals thereof or amendments thereto or the approval of any assignments thereof (if there be any such):

Louisiana Revised Statutes of 1950, Title 30, Sections 121 through 136.

Louisiana Act No. 93 of 1936, as amended by Louisiana Acts No. 80 of 1938, No. 71 of 1940, No. 92 of 1940, No. 153 of 1942, No. 364 of 1942, No. 134 of 1944, No. 370 of 1946, No. 58 of 1948, No. 244 of 1948, No. 46 of 1950, No. 59 of 1950, No. 290 of 1950 and No. 388 of 1950.

Louisiana Act No. 30 of the Extra Session of 1915, as amended by Louisiana Act No. 315 of 1926.

- (b) As to the said taxes:

Section 21 of Article X of the Louisiana Constitution of 1921.

Louisiana Revised Statutes of 1950, Title 47, Sections 631 through 697.

Louisiana Act No. 24 of the Second Extra Session of 1935, as amended by Louisiana Acts No. 119 of 1936, No. 403 of 1938, No. 145 of 1940,

No. 299 of 1940, No. 284 of 1942, No. 202 of 1946 and No. 10 of 1948.

Louisiana Act No. 140 of 1922, as amended by Louisiana Acts No. 301 of 1926, No. 5 of 1928, No. 53 of 1934 and No. 5 of the Third Extra Session of 1934.

Louisiana Act No. 11 of 1948.

Louisiana Act No. 208 of 1948.

Wherefore, having furnished showings responsive to the provisions of subsection (a) of Section 6 of the Outer Continental Shelf Lands Act, Lessee respectfully requests the prompt determination by the Secretary of Interior that the Lease, insofar and to the extent it covers submerged lands of the Outer Continental Shelf, meets the requirements of said subsection, to the end that Lessee, its successors, assigns, and representatives may continue to maintain the Lease, and may promptly be in position to enjoy and exercise its rights thereunder and to conduct operations thereunder in accordance with the provisions of subsection (b) of said Section 6 and the further provisions of said Section 6 and as may otherwise be provided by applicable law, and Lessee stands ready to furnish such further proof responsive to said subsection (a) of said Act as may reasonably be required.

IN WITNESS WHEREOF Lessee has duly executed, or caused to be properly executed, this Certification for the purposes aforesaid as of the 26th day of October, 1953.

THE TEXAS COMPANY

ATTEST:

By

J. B. Jackson
Vice President

D. H. Mulvey
Ass't Secretary **D. H. MULVEY**

STATE OF Texas

COUNTY of Harris
~~PARISH~~

I, E. E. Griffin, hereby certify that J. B. Jackson whose name is subscribed to the accompanying instrument, is Vice President of THE TEXAS COMPANY, a Delaware corporation; and D. H. MULVEY who attested said instrument is Ass't Secretary of said corporation, and that the said officers are duly authorized to execute and attest the same by and on behalf of said THE TEXAS COMPANY.

WITNESS my hand and the corporate seal of said THE TEXAS COMPANY this ~~day of~~ October 26, 1953.

E. E. Griffin
Ass't Secretary of THE TEXAS COMPANY

ATTEST:

By

..... President

..... Secretary

STATE OF

COUNTY of
PARISH of

I,, hereby certify that, whose name is subscribed to the accompanying instrument, is President of, a corporation; and who attested said instrument is Secretary of said corporation, and that the said officers are duly authorized to execute and attest the same by and on behalf of said

WITNESS my hand and the corporate seal of said this day of, 1953.

..... Secretary of

ATTEST:

By
..... *President*

.....
..... *Secretary*

STATE OF }
COUNTY }
PARISH of }

I,, hereby certify that, whose name is
subscribed to the accompanying instrument, is President of
....., a corporation; and
who attested said instrument is Secretary of said corporation, and that the said officers
are duly authorized to execute and attest the same by and on behalf of said

WITNESS my hand and the corporate seal of said
this day of, 1953.

.....
..... *Secretary of*

ATTEST:

By
..... *President*

.....
..... *Secretary*

STATE OF }
COUNTY }
PARISH of }

I,, hereby certify that, whose name is
subscribed to the accompanying instrument, is President of
....., a corporation; and
who attested said instrument is Secretary of said corporation, and that the said officers
are duly authorized to execute and attest the same by and on behalf of said

WITNESS my hand and the corporate seal of said
this day of, 1953.

.....
..... *Secretary of*

CERTIFICATE

EXHIBIT A

To The Secretary of Interior of the United States:

The Register of the State Land Office of the State of Louisiana has the authority and duty under all Louisiana State oil and gas leases to collect, receive, and record all payments of rentals and royalties thereunder, and at the request of a party-lessee under the hereinafter identified lease, in order for lessee thereunder to comply with the provisions of Section 6(a) of the Outer Continental Shelf Lands Act, I have searched the records of said office and hereby certify:

That there is attached hereto a true copy of Louisiana State Oil, Gas, and Mining Lease No. 340, that said lease is under the jurisdiction of said Register for the purposes aforesaid and that said lease was issued prior to December 21, 1948, and would have been on June 5, 1950, in force and effect in accordance with its terms and provisions and the law of the State of Louisiana had said State had authority to issue said lease.

The issuance of this Certificate responsive to the provisions of the Outer Continental Shelf Lands Act, at such request and for the purpose aforesaid, is not an admission, and shall not be so construed, that the State of Louisiana lacked authority to issue said lease and shall not in any way or to any extent prejudice the State of Louisiana respecting any claim, right, interest, or estate of any kind or character it has, or may or might have, but for the giving of this Certificate.

Ellen Bryan Moore
ELLEN BRYAN MOORE,
Register of State Land Office, State of Louisiana

STATE OF LOUISIANA }
PARISH OF EAST BATON ROUGE } SS.

BEFORE ME, the undersigned authority, on this day personally appeared ELLEN BRYAN MOORE, who, being by me first duly sworn, did depose and say:

That she is REGISTER OF THE STATE LAND OFFICE FOR THE STATE OF LOUISIANA; that, acting in said capacity, she signed the above certificate; and that the facts contained therein are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1st day of October, 1953.

Mrs. Rosamund Inlet Breaux
Notary Public in and for
East Baton Rouge Parish, Louisiana

To The Secretary of Interior of the United States:

The Louisiana State Mineral Board has full supervision of all oil, gas and other mineral leases granted by the State of Louisiana in order that it may determine that the terms of such leases are fully complied with, and said Board has general authority to take any action for the protection of the interests of the State of Louisiana and may institute actions to annul such a lease upon any legal ground; and, I, as Secretary of said State Mineral Board, am the keeper of the records of the said Board; and at the request of a party-lessee under the hereinafter identified lease, in order for lessee thereunder to comply with the provisions of Section 6(a) of the Outer Continental Shelf Lands Act, I hereby certify I have searched said records and that the said records do not reflect that any action had been, on or prior to June 5, 1950, authorized to be instituted by said Board to annul State Lease No. 340, or that said Board had, on or prior to June 5, 1950, taken cognizance of any grounds looking to the institution of any such action respecting said lease; and that insofar as the records of said Board reflect the status of said lease as at June 5, 1950, said lease would have been, on said date, in force and effect in accordance with its terms and provisions and the law of the State of Louisiana had said state had authority to issue said lease.

The issuance of this Certificate responsive to the provisions of the Outer Continental Shelf Lands Act, at such request and for the purpose aforesaid, is not an admission, and shall not be so construed, that the State of Louisiana lacked authority to issue said lease and shall not in any way or to any extent prejudice the State of Louisiana respecting any claim, right, interest, or estate of any kind or character it has, or may or might have, but for the giving of this Certificate.

C. J. Bonnacarrere
C. J. BONNECARRERE
Secretary, State Mineral Board of Louisiana

STATE OF LOUISIANA }
PARISH OF EAST BATON ROUGE } SS.

BEFORE ME, the undersigned authority, on this day personally appeared C. J. BONNECARRERE, who, being by me first duly sworn, did depose and say:

That he is SECRETARY OF THE STATE MINERAL BOARD OF THE STATE OF LOUISIANA; that, acting in said capacity, he signed the above certificate; and that the facts contained therein are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1st day of October, 1953.

Mrs. Rosamund Inlet Breaux
Notary Public in and for
East Baton Rouge Parish, Louisiana

C O P Y

February 20, 1947

REGISTERED - RRR

Mr. F. P. Jones, Jr.
The Superior Oil Company
Oil and Gas Building
Houston 2, Texas

Dear Mr. Jones:

We are returning the certified checks in the amount of \$50.00 each, which checks represented your deposit for the advertisement of 172 blocks in the Tiger Shoal Area, Gulf of Mexico Water Bottoms.

A large part of the area intended to be advertised for leasing by you is either already under lease or has been included in other tracts; therefore, it is no longer proper for this office to hold your deposits.

Yours very truly,

STATE MINERAL BOARD

AMH

C O P Y

THE SUPERIOR OIL COMPANY
(A California Corporation)
Houston 2, Texas

October 29, 1946

State Mineral Board
Baton Rouge
Louisiana

Gentlemen:

Pursuant to the provisions of Act No. 93 of 1936, as amended, The Superior Oil Company hereby notifies you of its desire for, and it hereby applies for, Oil, Gas and Mineral Leases upon the respective parcels identified on the plat hereto annexed, the said parcels being numbered consecutively thereon from 1 to 172, both inclusive; each such lease to cover but a single parcel, not to exceed 5,000 acres, just as though separate application had been made thereon.

The plat hereto annexed is further identified by the following legend thereon:

"TIGER SHOAL AREA
Gulf of Mexico Water Bottoms
of the State of Louisiana

Base Map from U.S.C. & G.S. Charts Nos. 1276 & 1277"

Accompanying this application to be deposited with you as evidence of the good faith of this application are the following checks drawn on The National Bank of Commerce, Houston, Texas, to your order, duly certified, said checks being identified with and deposited for the numbered parcel set out opposite their respective numbers:

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Yours very truly,

THE SUPERIOR OIL COMPANY

By (Sgd.) H. B. Keek
H. B. Keek
Vice President

HPK:lm
Encl-

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT
LOUISIANA DIVISION
R. L. KEYES, DIVISION MANAGER

NEW ORLEANS 9, LOUISIANA

August 31, 1946

63653 - State Mineral Lease No. 340
South Marsh Island Prospect

State Mineral Board
Baton Rouge, Louisiana.

Gentlemen:

Under the agreement of selection and release executed as of date November 18, 1943, by and between State Mineral Board, The Texas Company, William T. Burton and Independent Oil and Gas Company, Inc., there was retained and held by The Texas Company, as assignee of the original lessee under State Lease No. 340 bearing date February 7, 1936, a certain area designated in said instrument as the "SOUTH MARSH ISLAND PROSPECT", which said area so designated and named and so retained by said The Texas Company under and pursuant to the terms of State Lease No. 340 and of said instrument of selection and release of date November 18, 1943, is fully described in Article X, paragraph 1 of said instrument of selection and release and is outlined on the plat or map attached to said instrument marked Exhibit G thereto. Reference to said lease and to said instrument of selection and release is here made as to the terms and conditions under which said area is retained by The Texas Company.

The Texas Company desires to begin operations for the drilling of a well upon said area and contemplates beginning such operations promptly after the Fall equinoctial storm season, at a location in the coastal waters included within said "SOUTH MARSH ISLAND PROSPECT" approximately four miles gulfward from the shore of Marsh Island, which said location is more particularly shown on a plat hereto attached, it being understood that operations will be either at said point of location or within 1,000 feet thereof.

The proposed location is being submitted to you prior to the application of The Texas Company for permit to drill, for your approval thereof as a location within the limits of said "SOUTH MARSH ISLAND PROSPECT" so retained and held by The Texas Company as set out in the instrument of selection and release of date November 18, 1943, and that a

63653 - P

well drilled at said location as above outlined will be accepted by you as a well drilled upon said area under the terms of said State Lease No. 340, as amended and supplemented by said instrument of selection and release of date November 18, 1943, and that said operations will protect and preserve to said The Texas Company said leased area under and pursuant to the terms and conditions of said State Lease No. 340 and said instrument of selection and release.

If the subject matter of this letter is in accord with your understanding, and the drilling of said well at said location is accepted by you as a well drilled in compliance with the terms and conditions of said lease and said instrument of selection and release so as to maintain and protect the rights of The Texas Company as lessee thereunder, it is requested that you indicate your confirmation hereof by affixing your signature in acceptance and approval to this letter, which is delivered to you in duplicate originals, and after such approval you will please return to us one original with your acceptance thereon.

Yours very truly,

THE TEXAS COMPANY

By R. R. Keyes
Division Manager

Approved and accepted this 25th
day of January, 1947.

STATE MINERAL BOARD

By W. H. Hargis
Chairman

63653 R

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This supplemental and collateral agreement made and entered into this day by and between Wm. T. Burton, a resident of Calcasieu Parish, Louisiana, hereinafter designated as First Party, and The Texas Company, a corporation of the State of Delaware, hereinafter designated as Second Party,

WITNESSETH:

1. That by instrument of assignment dated the 15th day of February, 1936, first party has sold, transferred, and assigned to second party that certain oil, gas and mineral lease, designated as State lease No. 340 of the records of the State Land Office of the State of Louisiana, bearing date February 7th, 1936, executed by the State of Louisiana by its Governor, Honorable James A. Nee, acting under and pursuant to authority of Act No. 30 of the Extraordinary Session of the General Assembly of the State of Louisiana for the year 1915, as amended by Act No. 315 of the Acts of the Louisiana Legislature for the year 1926, unto and in favor of said Wm. T. Burton, first party herein, which said lease covers and bears upon the following described property, to-wit:

"All of the property now or formerly constituting the beds and other bottoms of lagoons, lakes, gulfs, bays, coves, sounds, inlets and other water bodies, and also all islands and other lands belonging to the State of Louisiana and not under lease from the State on the date of application, namely, Jan. 8th, 1936, and being situated or included within the following described boundaries:

"Beginning on the mean high water line at the most westerly tip of Terrebonne Parish, La., known as Pointe au Fer, and running along said mean high water line as it follows the shores of Atchafalaya Bay, Four League Bay, East Bay, Morrison's Cut-off, Bayou Sale Bay, East Cote Blanche Bay, West Cote Blanche Bay, Jaws or Little Bay, Vermilion Bay, Weeks Bay, and of all lagoons, lakes, bays, coves, sounds, inlets, and other water bodies adjoining or forming arms of said named bays, excluding, however, all rivers, creeks, streams or bayous tributary thereto, said mean high water line, with the exception of that part bordering Four League Bay or arms thereof, following the shores of Terrebonne, St. Mary, Iberia and Vermilion Parishes, to the most eastern point on that promontory of land forming the west side of Southwest Pass; thence in a general westerly direction along the shore of the Gulf of Mexico to the dividing line between Cameron and Vermilion Parishes; thence south along said dividing line into the marginal or maritime belt of the Gulf of Mexico to the extreme limit or boundary of the domain, territory, and sovereignty of the State of Louisiana; thence easterly along said limit or boundary to a point due south of place of beginning; thence north to place of beginning, including in particular the beds and bottoms of Vermilion Bay, Weeks Bay, West Cote Blanche Bay, Jaws or Little Bay, East Cote Blanche Bay, Bayou Sale Bay, Morrison's Cut-off, East Bay, Atchafalaya Bay and Four League Bay, Southwest Pass and part of the Gulf of Mexico; this particularization, however, not being or intended to be all-inclusive.

"LESS AND EXCEPT MARSH ISLAND and the beds and bottoms underlying the following three described tracts:

63653 C

"Tract #1/ That part of Vermilion Bay lying in the N¹/₂ of T. 15 S., R. 3 E., La. Mer.

"Tract #2/ That part of Vermilion Bay lying in Iberia Parish.

"Tract #3/ That part of Bayou Sale Bay and East Cote Blanche Bay Bounded as follows:

"On the east and south by the shore line of St. Mary Parish, on the north by the north line of Township 17 South - Range 9 East, Louisiana Meridian, and on the west by a line running due north from Pt. Chevreuil to the north line of said township.

"All of the above described property lying within the Parishes of Vermilion, Iberia, St. Mary, and Terrebonne, State of Louisiana."

2. That the warranty clause of said instrument of assignment provides as follows:

"8.. It is warranted by transferrer that he has a good title to said lease, that the same is at this date a valid and subsisting lease, and that the recited consideration in said lease has been actually paid."

3. That notwithstanding said warranty clause, it is and was the intention of the parties that said lease should be so assigned without warranty on the part of said Wm. T. Burton, even as to the restitution of the purchase price, or any royalties paid to him under the terms of said assignment.

4. That in lieu of said warranty clause hereinbefore quoted, the agreement between the parties to said assignment and to this collateral agreement, concerning the warranty on the part of said Wm. T. Burton, is and shall read in words and figures as follows:

Transferrer guarantees that the recited consideration in said lease has been actually paid by the lessee to the lessor and that said lease has not been by said lessee transferred or assigned, in whole or in part; but it is distinctly understood and agreed that this assignment is made without any other warranty whatever and that in the event of eviction of the transferee, its successors or assigns, the transferrer shall not be liable to the transferee, its successors or assigns, for any sum whatever, not even for the restitution of the consideration of this assignment, or for any bonuses or royalties which might have been paid by transferee hereunder, the consideration being paid to transferrer being less by reason of such stipulation against warranty.

5. It is agreed that in event second party shall assign said lease or any part thereof and such assignee or assignees should be evicted because of the failure of title to said lease, second party agrees to pay such evicted party

63053 C

such damages as said party may recover against first party because of the failure of the title to said lease.

IN WITNESS WHEREOF, this collateral agreement is executed in duplicate originals this 15th day of February, 1936.

Witnesses:

L. Brown
L. M. Adams

Wm. J. Burtan
First Party

W. H. Underwood
E. H. Hargis

THE TEXAS COMPANY

By R. C. Hargis
Second Party

63653 C

STATE OF LOUISIANA
 PARISH OF Calcasieu

BE IT KNOWN, that on this 15 day of February, 1936, before me, the undersigned authority, and in the presence of L. B. Brown and S. W. Maxwell, competent witnesses, personally came and appeared Wm. T. Burton, who acknowledged unto me, said authority, in the presence of said witnesses, that he is the identical person..... who signed and executed the foregoing instrument in writing; that the same is his own free and voluntary act and deed; that he executed the same for the purposes and on the conditions and terms therein expressed.

Thus done and passed in the Parish of Calcasieu, State of Louisiana, on the day and date first above written, in the presence of the above named and undersigned witnesses, who have hereunto subscribed their names, together with said appearer..... and me, said authority, after reading the whole.

Witnesses:

Wm. T. Burton
Glenn B. ...
 Notary Public in and for the Parish of Calcasieu
 State of Louisiana

62653 C

STATE OF LOUISIANA
PARISH OF Caddo

BE IT KNOWN, That on this 12 day of February, 1936, before me, the undersigned authority, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared R. C. Stewart

Division Manager

of

The Texas Company

to me well known, and known to be such **Division Manager**

of The Texas Company

R. C. Stewart

, and executed the foregoing instrument, and thereupon the said

Division Manager

, as such

acknowledged that he had signed and executed the same as his act and deed, and as the act and deed of the said corporation, for the consideration, uses and purposes and on the terms and conditions therein mentioned and in his said capacity.

And the said R. C. Stewart

the **Division Manager**

of

The Texas Company

and that he signed and executed said instrument in his said capacity, and under authority of the Board of Directors of said corporation.

Thus done and passed in the Parish of Caddo State of Louisiana

on the day and date first hereinabove written, and in the presence of R. C. Stewart
and E. H. Hawkins, competent witnesses, who have hereunto subscribed their names as such, together with said appearer and me, said authority, after due reading.

Witnesses:

[Signature]
[Signature]

Notary Public in and for the Parish

of Caddo, State of Louisiana

636553

WHEREAS, under date of February 7, 1936, the State of Louisiana made, executed and delivered unto W. T. Burton a certain oil and gas mining lease designated as State Mineral Lease No. 340, an original of which is on file in the Office of the Register of the State Land Office and has been recorded in the Conveyance Records of the Parish of Iberia, State of Louisiana, in Book 126 at Page 185 under Entry No. 49234; in the Conveyance Records of the Parish of St. Mary, State of Louisiana, in Conveyance Book 5-F at Page 387 under Entry No. 60191; in the Conveyance Records of the Parish of Terrebonne, State of Louisiana, in Conveyance Book 108 at Page 304 under Entry No. 20681; and in the Conveyance Records of the Parish of Vermilion, State of Louisiana, in Conveyance Book 124 at Page 615 under Entry No. 57878, and which said lease covers and applies to certain property therein particularly described constituting the beds and bottoms of lagoons, lakes, gulfs, bays, coves, sounds, inlets and other water bodies and also all islands and other lands belonging to the State of Louisiana within the area described in said lease, and which said area extends into the parishes of Terrebonne, St. Mary, Iberia and Vermilion, State of Louisiana, reference to said lease being here made for a more particular description of the property thereby leased, and is made a part hereof by reference for all purposes to the same extent and with the same effect as if written herein in full; and

WHEREAS, under date of February 15, 1936, the said W. T. Burton executed unto and in favor of The Texas Company that certain instrument of assignment which is recorded in the Conveyance Records of the Parish of Iberia, State of Louisiana, in Conveyance Book 126 at Page 188 under Entry No. 49235; in the Conveyance Records of the Parish of St. Mary, State of Louisiana, in Conveyance Book 5-F at Page 416 under Entry No. 60211; in the Conveyance Records of the Parish of Terrebonne, State of Louisiana, in Conveyance Book 108 at Page 308 under Entry No. 20682; and in the Conveyance Records of the Parish of Vermilion, State of Louisiana, in Conveyance Book 126 at

Page 115 under Entry No. 57936, under the terms of which instrument the said W. T. Burton assigned and conveyed to The Texas Company said State Mineral Lease No. 340, next hereinabove referred to and described, subject to certain payments and overriding royalties stipulated and reserved therein; and

WHEREAS, under date of February 18, 1936, the said W. T. Burton executed an instrument of sale and assignment unto and in favor of Win or Lose Corporation, a corporation organized and existing under the laws of the State of Louisiana, and whose corporate name has now been changed to Independent Oil & Gas Company, Inc., as will be shown by the records in the Office of the Secretary of State, State of Louisiana, whereby there was conveyed to said Win or Lose Corporation an undivided three-fourths (3/4) interest in and to all of the interest retained and reserved by the said W. T. Burton in and to said State Mineral Lease No. 340, which lease had been assigned to The Texas Company by the said W. T. Burton by instrument dated February 15, 1936, hereinabove referred to and described; and said hereinabove sale and assignment from W. T. Burton to Win or Lose Corporation dated February 18, 1936, is filed for record and recorded in the Conveyance Records of the Parish of Iberia, State of Louisiana, in Conveyance Book 142 at Page 328 under Entry No. 57834; in the Conveyance Records of the Parish of St. Mary, State of Louisiana, in Conveyance Book 5-V under Entry No. 66130; in the Conveyance Records of the Parish of Terrebonne, State of Louisiana, in Conveyance Book 125 under Entry No. 40155; and in the Conveyance Records of the Parish of Vermilion, State of Louisiana, in Conveyance Book 150 under Entry No. 70877, and which said sale and assignment is made a part hereof by reference for all purposes; and

WHEREAS, under date of November 18, 1943, State Mineral Board, representing the State of Louisiana, The Texas Company, W. T. Burton and Independent Oil & Gas Company, Inc., entered into an agreement of selection and release whereby and whereunder certain portions of the property embraced in said State Mineral Lease No. 340,

hereinabove referred to and described, were selected and retained by The Texas Company, W. T. Burton, and Independent Oil & Gas Company, Inc., and the remainder of the property described in said State Mineral Lease No. 340 was surrendered and released to the State of Louisiana; and

WHEREAS, by instrument dated September 27, 1944, which is recorded in Conveyance Book 6-0 at Page _____, under Entry No. 71932, of the records of St. Mary Parish, Louisiana; in Conveyance Book 174 at Page 117 under Entry No. 83289 of the records of Vermilion Parish, Louisiana; and in Conveyance Book 158 at Page 571 under Entry No. 65524 of the records of Iberia Parish, Louisiana, The Texas Company, W. T. Burton, and Independent Oil & Gas Company, Inc. executed a release to and in favor of the State of Louisiana covering certain property described therein and which had been retained and selected by the terms of said hereinabove described instrument dated November 18, 1943, which said release dated September 27, 1944, is made a part hereof by reference for all purposes; and

WHEREAS, in said agreement of November 18, 1943, there were particularly reserved, selected and retained by The Texas Company, W. T. Burton, and Independent Oil & Gas Company, Inc., together with other property, two certain areas particularly described in said instrument of selection and release as:

(A) POINT AU FER DOME AREA, which is referred to and particularly described in Article "1" of said agreement of November 18, 1943, and outlined in red on the plat marked Exhibit "A", and which plat is attached to and made a part of said instrument; and

(B) SOUTH TIGRE LAGOON PROSPECT, which is referred to and particularly described in Article "8" of said agreement of November 18, 1943, and is outlined in red on the plat marked Exhibit "F", which plat is attached to and made a part of said agreement; and

WHEREAS, in said agreement of November 18, 1943, hereinabove referred to and described, provision was made for the beginning of operations upon each of said hereinbefore referred to prospects,

and pursuant to said conditions, The Texas Company has complied therewith and has timely drilled and completed a well on each of said prospects as provided by said agreement of November 18, 1943, and in accordance with the terms and conditions of said State Mineral Lease No. 340, hereinabove referred to and described; and

WHEREAS, The Texas Company, W. T. Burton, and Independent Oil & Gas Company, Inc. do not care to continue operations upon either of said hereinabove referred to and described prospects, but that pursuant to the terms and conditions of said agreement of November 18, 1943, desire to release all of said two described areas to the State of Louisiana and thereby be relieved and released from any and all further obligations imposed upon them or any one or more of them under the terms and conditions of said State Mineral Lease No. 340 and under the terms and conditions of the hereinabove referred to agreement of November 18, 1943, insofar as same applied and covers the two hereinabove described prospects.

NOW, THEREFORE, The Texas Company, a Delaware corporation, authorized and doing business in the State of Louisiana, appearing herein through R. C. Stewart, its duly authorized Attorney in Fact; W. T. Burton, husband of Ethel Lewis, a resident of the Parish of Calcasieu, State of Louisiana; and Independent Oil & Gas Company, Inc., a Louisiana corporation, appearing herein through _____

Raymond Weiss and EARLE J. CHRISTENBERRY, its President and Secretary, respectively, duly authorized by a resolution of its Board of Directors, a copy of which is attached hereto and made a part hereof, and each, for itself and himself, in consideration of the premises and of the covenants and agreements set forth in said State Mineral Lease No. 340, hereinabove referred to and described, and in said agreement of November 18, 1943, hereinabove referred to and described, do hereby release, relinquish, and forever quitclaim unto the State of Louisiana any and all rights whatsoever now held or claimed by them, or any one or more of them, under said State Mineral Lease No. 340, dated February 7, 1936,

hereinabove referred to and described, and under and pursuant to the agreement of November 18, 1943, also hereinabove referred to and described, INSOFAR AS AND ONLY INSOFAR AS said State Mineral Lease No. 340 and said agreement of November 18, 1943, cover and apply to those two certain prospects referred to and described in said agreement of November 18, 1943, as:

(A) POINT AU FER DOME AREA, which is referred to and particularly described in Article "1" of said agreement of November 18, 1943, and outlined in red on the plat marked Exhibit "A", and which plat is attached to and made a part of said instrument; and

(B) SOUTH TIGRE LAGOON PROSPECT, which is referred to and particularly described in Article "8" of said agreement of November 18, 1943, and is outlined in red on the plat marked Exhibit "F", which plat is attached to and made a part of said agreement; and reference to said agreement of November 18, 1943, and the plats, Exhibit "A" and Exhibit "F" thereto attached, is here made for particular description of the said two areas, to-wit: POINT AU FER DOME AREA and SOUTH TIGRE LAGOON PROSPECT, which are hereby released.

That except as to the two hereinbefore designated and described areas which are hereby released and the two areas described in the instrument of partial release dated September 27, 1944, hereinabove referred to and described, said State Mineral Lease No. 340 and said agreement of November 18, 1943, are and remain in full force and effect as to all of the areas held and retained by The Texas Company, W. T. Burton, and Independent Oil & Gas Company, Inc. under the terms and conditions of said lease and agreement.

IN TESTIMONY WHEREOF, this instrument is signed and executed, in quadruplicate originals, by the parties hereto on this the 12th day of February, 1946.

WITNESSES:

W. H. H. H.
Isabel Thomas

THE TEXAS COMPANY
By L. C. Stewart Terms approved
Attorney in Fact Filed approved

WITNESSES:

Grace M. Brown
Mamie Jones

A. J. Brown, Jr.
Gertrude E. Wilson
Mary R. Pauland
Barbara Hankel

W. T. Burton
W. T. Burton

INDEPENDENT OIL & GAS COMPANY, INC.

By Superior Stone
President

By Emory R. Schaeffer
Secretary

Form approved by _____

RESOLUTION

BE IT RESOLVED that Independent Oil & Gas Company, Inc. join with The Texas Company and W. T. Burton in an act of release surrendering and returning to the State Mineral Board of the State of Louisiana those portions of State Lease No. 340, more particularly described in compromise agreement with the State Mineral Board dated November 18, 1943, as:

(A) POINT AU FER DOME AREA, which is referred to and particularly described in Article "1" of said agreement of November 18, 1943, and outlined in red on the plat marked Exhibit "A", and which plat is attached to and made a part of said instrument; and

(B) SOUTH TIGRE LAGOON PROSPECT, which is referred to and particularly described in Article "8" of said agreement of November 18, 1943, and is outlined in red on the plat marked Exhibit "F", which plat is attached to and made a part of said agreement.

Be it further resolved that the President and Secretary of this corporation be authorized, empowered and directed to sign and execute on behalf of this corporation any and all papers and documents necessary to carry out the intents and purposes of this resolution.



President

STATE OF LOUISIANA)
PARISH OF ORLEANS)

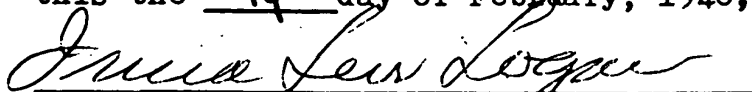
I, EARLE J. CHRISTENBERRY, Secretary of Independent Oil & Gas Company, Inc., do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the Board of Directors of Independent Oil & Gas Company, Inc. at a meeting held by it on the 14th day of February, 1946, at which meeting a majority of the directors were present.

I further certify that I am the keeper of the papers, book records and seal of said corporation, and am duly authorized to make this certificate.

IN TESTIMONY WHEREOF, I have hereunto set my hand officially
and affixed the corporate seal of said corporation on this the 19
day of February, 1946.


Secretary of INDEPENDENT OIL & GAS
COMPANY, INC.

Sworn to and subscribed before me on
this the 19 day of February, 1946,



Notary Public in and for the Parish of
Orleans, State of Louisiana

SINGLE ACKNOWLEDGMENT

STATE OF LOUISIANA

PARISH

OF

Calcasieu

BE IT KNOWN, that on this 2nd day of March, 1946, before me, the undersigned authority, and in the presence of Grace M. Browne and Mamie Jones, competent witnesses, personally came and appeared W. D. Burton, who acknowledged unto me, said authority, in the presence of said witnesses, that he is the identical person who signed and executed the foregoing instrument in writing; that the same is his own free and voluntary act and deed; that he executed the same for the purposes and on the conditions and terms therein expressed.

Thus done and passed in the Parish of Calcasieu, State of Louisiana, on the day and date first above written, in the presence of the above named and undersigned witnesses, who have hereunto subscribed their names, together with said appearer and me, said authority, after reading the whole.

Witnesses:

Grace M. Browne
Mamie Jones

W. D. Burton
W. D. Burton
Notary Public in and for the Parish Calcasieu
State of Louisiana

STATE OF LOUISIANAPARISH OF ORLEANS

BE IT KNOWN, That on this 12th day of February, 19 46, before me, the undersigned authority, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared R. C. Stewart
Attorney in Fact of The Texas Company

to me well known, and known to be such Attorney in Fact
 of The Texas Company, and executed the foregoing instrument, and thereupon the said
R. C. Stewart, as such Attorney in Fact

acknowledged that he had signed and executed the same as his act and deed, and as the act and deed of the said corporation, for the consideration, uses and purposes and on the terms and conditions therein mentioned and in his said capacity.

And the said R. C. Stewart, being by me first duly sworn, did depose and say that he is
 the Attorney in Fact of The Texas Company

and that he had signed and executed said instrument in his capacity, and under authority of the Board of Directors of said corporation.

Thus done and passed in the Parish of Orleans State of Louisiana,
 on the day and date first hereinabove written, and in the presence of J. O. Winn
 and Isabell Thomas, competent witnesses, who have hereunto subscribed their names as such,
 together with said appearer and me, said authority, after due reading.

Witnesses:

Isabell Thomas
Isabell Thomas
Isabell Thomas
 Notary Public in and for the Parish
 of Orleans, State of Louisiana

R. C. Stewart

STATE OF LOUISIANA
 PARISH of Orleans

BE IT KNOWN, That on this 19 day of February, 19 46, before me the undersigned authority, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared Earle J. Christenberry
Secretary of Independent Oil & Gas Company, Inc.

to me well known, and known to be such Secretary
 of Independent Oil & Gas Company, Inc., and executed the foregoing instrument, and thereupon the said
EARLE J. CHRISTENBERRY, as such Secretary

acknowledged that he had signed and executed the same as his act and deed, and as the act and deed of the said corporation, for the consideration, uses and purposes and on the terms and conditions therein mentioned and in his said capacity.

And the said EARLE J. CHRISTENBERRY, being by me first duly sworn, did depose and say that he is
 the Secretary of Independent Oil & Gas Company, Inc.

and that he had signed and executed said instrument in his capacity, and under authority of the Board of Directors of said corporation.

Thus done and passed in the Parish of Orleans State of Louisiana
 on the day and date first hereinabove written, and in the presence of Mary L. Leland
 and Barbara Hankel, competent witnesses, who have hereunto subscribed their names as such,
 together with said appearer and me, said authority, after due reading.

Witnesses:

Mary L. Leland

Barbara Hankel

Mrs. L. L. Logan

Notary Public in and for the Parish
 of Orleans, State of Louisiana

Earle J. Christenberry

STATE OF LOUISIANA

PARISH

OF

Orleans

BE IT KNOWN, That on this 19 day of February, 1946, before me, the undersigned authority, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared Jaymaur Weiss President of Independent Oil & Gas Company, Inc.

to me well known, and known to be such President of Independent Oil & Gas Company, Inc., and executed the foregoing instrument, and thereupon the said

Jaymaur Weiss, as such President acknowledged that he has signed and executed the same as his act and deed, and as the act and deed of the said corporation, for the consideration, uses and purposes and on the terms and conditions therein mentioned and in his said capacity.

And the said Jaymaur Weiss, being by me first duly sworn, did depose and say that he is the President of Independent Oil & Gas Company, Inc.

and that he had signed and executed said instrument in his capacity, and under authority of the Board of Directors of said corporation.

Thus done and passed in the Parish of Orleans State of Louisiana on the day and date first hereinabove written and in the presence of Edouard J. Bourgeois Jr. and Isidore E. Behm, competent witnesses, who have hereunto subscribed their names as such, together with said appearer and me, said authority, after due reading.

Witnesses:

Edouard J. Bourgeois Jr.
Isidore E. Behm
Maria Lee Logan

Notary Public in and for the Parish of Orleans State of Louisiana